

CORPORATE SERVICES POLICY ADVISORY COMMITTEE MEETING

Date: Wednesday 14 June 2023
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Bartlett (Chairman), Cannon, Clark, Cooke, Mrs Gooch (Vice-Chairman), Harper, Hinder, S Thompson and Webb

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

AGENDA

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|--|--------|
| 1. Apologies for Absence | |
| 2. Notification of Substitute Members | |
| 3. Urgent Items | |
| 4. Notification of Visiting Members | |
| 5. Disclosures by Members and Officers | |
| 6. Disclosures of Lobbying | |
| 7. To consider whether any items should be taken in private because of the possible disclosure of exempt information | |
| 8. Minutes of the Meeting Held on 23 May 2023 | 1 |
| 9. Forward Plan relating to the Committee's Terms of Reference | 2 - 4 |
| 10. 4th Quarter Financial, Performance and Risk Monitoring Report | 5 - 75 |

INFORMATION FOR THE PUBLIC

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 4 p.m. one clear working day before the meeting (i.e. by 4 p.m. on Monday 12 June 2023). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899**.

To find out more about the work of the Committee, please visit the [Council's Website](#).

Issued on Tuesday 6 June 2023

Alison Broom

Alison Broom, Chief Executive

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 23 MAY 2023

Attendees:

Committee Members:	Councillors Bartlett (Chairman) Cannon, Clark, Cooke, Eagle, Fort, Mrs Gooch, Harper and Hinder
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128. APOLOGIES FOR ABSENCE

Apologies were received from Councillors S Thompson and Webb.

129. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Eagle was present as Substitute for Councillor S Thompson.

Councillor Fort was present as Substitute for Councillor Webb.

130. ELECTION OF CHAIRMAN

RESOLVED: That Councillor Bartlett be elected as Chairman for the 2023/24 Municipal Year.

131. ELECTION OF VICE-CHAIRMAN

RESOLVED: That Councillor Gooch be elected as Chairman for the 2023/24 Municipal Year.

132. DURATION OF MEETING

7.40 p.m. to 7.42 p.m.







MAIDSTONE BOROUGH COUNCIL FORWARD PLAN FOR THE FOUR MONTH PERIOD 30 MAY 2023 TO 30 SEPTEMBER 2023

This Forward Plan sets out the details of the key and non-key decisions which the Cabinet or Cabinet Members expect to take during the next four-month period.

A Key Decision is defined as one which:

1. Results in the Council incurring expenditure, or making savings, of more than £250,000; or
2. Is significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough

The current Cabinet Members are:

 <p>Councillor David Burton Leader of the Council DavidBurton@maidstone.gov.uk 07590 229910</p>	 <p>Councillor Paul Cooper Deputy Leader and Cabinet Member for Planning, Infrastructure and Economic Development PaulCooper@Maidstone.gov.uk 01622 244070</p>	 <p>Councillor John Perry Cabinet Member for Corporate Services JohnPerry@Maidstone.gov.uk 07770 734741</p>
 <p>Councillor Claudine Russell Cabinet Member for Communities, Leisure and Arts ClaudineRussell@Maidstone.gov.uk</p>	 <p>Councillor Patrik Garten Cabinet Member for Environmental Services PatrikGarten@Maidstone.gov.uk 01622 807907</p>	 <p>Councillor Lottie Parfitt-Reid Cabinet Member for Housing and Health LottieParfittReid@Maidstone.gov.uk 07919 360000</p>

Anyone wishing to make representations about any of the matters listed below may do so by contacting the relevant officer listed against each decision, within the time period indicated.

Under the Access to Information Procedure Rules set out in the Council's Constitution, a Key Decision or a Part II decision may not be taken, unless it has been published on the forward plan for 28 days or it is classified as urgent:

The law and the Council's Constitution provide for urgent key and part II decisions to be made, even though they have not been included in the Forward Plan.

Copies of the Council's constitution, forward plan, reports and decisions may be inspected at Maidstone House, King Street, Maidstone, ME15 6JQ or accessed from the [Council's website](#).

Members of the public are welcome to attend meetings of the Cabinet which are normally held at the Town Hall, High St, Maidstone, ME14 1SY. The dates and times of the meetings are published on the [Council's Website](#), or you may contact the Democratic Services Team on telephone number **01622 602899** for further details.

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David Burton
Leader of the Council

Details of the Decision to be taken	Decision to be taken by	Relevant Cabinet Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
4th Quarter Finance, Performance & Risk Monitoring Report	Cabinet	Cabinet Member for Corporate Services.	28 Jun 2023	No	No Open	Corporate Services Policy Advisory Committee 14 Jun 2023	4th Quarter Finance, Performance & Risk Monitoring Report	Paul Holland paulholland@maidstone.gov.uk
1st Quarter Finance, Performance and Risk Monitoring Report 1st Quarter Finance, Performance and Risk Monitoring Report	Cabinet	Cabinet Member for Corporate Services.	20 Sep 2023	No	No Open	Corporate Services Policy Advisory Committee 11 Sep 2023	1st Quarter Finance, Performance and Risk Monitoring Report	Paul Holland paulholland@maidstone.gov.uk

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

14 June 2023

4th Quarter Finance, Performance & Risk Monitoring Report 2022/23

Timetable	
Meeting	Date
Corporate Services Policy Advisory Committee	14 June 2023
Cabinet Meeting	28 June 2023

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Cabinet
Lead Head of Service	Mark Green, Director of Finance, Resources & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager Carly Benville, Senior Information Analyst Alison Blake, Interim Head of Mid Kent Audit Orla Sweeney, Senior Policies & Communities Officer Charlotte Yarnold, Programme Manager (Strategic Planning)
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2022/23 financial and performance position for the services reporting into the Corporate Services Policy Advisory Committee (CS PAC) as at 31st March 2023 (Quarter 4). The primary focus is on:

- The 2022/23 Revenue and Capital budgets; and
- The 2022/23 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.
- Corporate Risk Register

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked.

Following the realignment of the Policy Advisory Committees there have been some minor changes to the responsibilities of this Committee which are reflected in this report.

Budget Monitoring

At the Quarter 4 stage the Council has incurred net expenditure of £23.019m against the approved profiled budget of £23.231m, representing an underspend of £0.212m.

Overall net expenditure at the end of Quarter 4 for the services reporting to CS PAC is £10.270m, compared to the approved profiled budget of £10.894m, representing an underspend of £0.624m.

At the Quarter 4 stage, the Council has incurred overall expenditure of £16.335m against a budget allocation within the Capital Programme of £32.631m.

Capital expenditure at the end of Quarter 4 for CS PAC was £2.440m against a total budget of £9.535m.

With the exception of this Committee the Policy Advisory Committees that were in place for 2022/23 have now been decommissioned and reconstituted with some different responsibilities for 2023/24. These changes have been reflected in the reports that the other Committee have seen.

Performance Monitoring

A number of targets were missed due to current issues with the economy and the continuing after-effects of Covid-19, although there were improvements in a number of other areas.

Corporate Risk Update

Appendix 3 outlines all the Council's corporate risks. Of note are changes to the elections and contractor failure risks to re-frame these, and a change to the cost-of-living risk which has been re-framed and has increased. The other corporate risks have been reviewed and updated with some changes to risk descriptions and/or controls or actions. The report also includes the operational risk profile of the Council and the most significant (black) operational risk.

Recovery & Renewal Update

A number of actions across the three areas of focus in the Recovery and Renewal Action have now been completed. This is shown in the update at Appendix 4.

UK Shared Prosperity Fund Update

An update on progress made against schemes using this funding is shown at Appendix 5.

Purpose of Report

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 31st March 2023.

This report makes the following recommendations to the Corporate Services Policy Advisory Committee:

1. That the Revenue position as at the end of Quarter 4 for 2022/23, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. That the Capital position at the end of Quarter 4 for 2022/23 be noted;
3. That the Performance position as at Quarter 4 for 2022/23, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.
4. That the Committee recommend the proposed new KPIs for 2023/24 to the Cabinet.
5. That the Risk Update, attached at Appendix 3 be noted.
6. That the Recovery & Renewal Update, attached at Appendix 4 be noted.
7. That the UK Shared Prosperity Fund update, attached at Appendix 5 be noted.
8. That the uncollectable Business Rates (NNDR) listed at Appendix 6 be approved for write-off by the Cabinet.

4th Quarter Finance, Performance & Risk Monitoring Report 2022/23

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Risk Management	This is addressed in Section 5 of this report.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Financial	Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.	Senior Finance Manager (Client)

	<p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium-Term Financial Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	
Staffing	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
Legal	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	<p>Interim Team Leader (Contentious and Corporate Governance) MKLS</p>
Information Governance	<p>The recommendations do not impact personal information (as defined in UK</p>	<p>Policy and Information Team</p>

	GDPR and Data Protection Act 2018) the Council processes.	
Equalities	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities and Communities Officer
Public Health	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	There are no specific issues arising.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Procurement	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and there are no direct implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2022/23 to 2026/27 - including the budget for 2022/23 - was approved by full Council on 23rd February 2022. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 2.2 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs), and an updated covering corporate risks.

- 2.3 Attached at Appendix 1 is a report setting out the revenue and capital spending position at the Quarter 2 stage. Attached at Appendix 2 is a report setting out the position for the KPIs for the corresponding period. Attached at Appendix 3 is a report providing an update on corporate risks, in response to the Policy & Resources Committee's previous request for regular updates on this subject. Attached at Appendix 4 is an update on progress against the Recovery & Renewal Plan and attached at Appendix 5 is an update on the UK Shared Prosperity Fund, which includes a RAG rating that was requested by Members at a previous meeting. Attached at Appendix 6 are the details of the uncollectable Business Rates (NNDR) being requested for approval to write off.
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3. AVAILABLE OPTIONS

- 3.1 There are two matters for decision in this report. The Committee is asked to recommend the approval of the :
- new Key Performance Indicators to Cabinet.
 - write off the uncollectable Business Rates to Cabinet.
- 3.2 The Committee is asked to note the remaining parts of the report but may choose to comment.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In considering the current position on the Revenue budget, the Capital Programme, and the KPIs at the end of March 2023, the Committee can choose to note this information or could choose to comment.
- 4.2 In the case of the two decisions the Committee is asked to recommend these for approval by Cabinet.
- 4.3 The Committee is requested to note the remaining content of the report.
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5. RISK

- 5.1 This report is presented for information only and has no direct risk management implications.
- 5.2 The Council produced a balanced budget for both revenue and capital income and expenditure for 2022/23. The budget is set against a continuing backdrop of limited resources and a difficult economic climate, even before the impact of the Covid-19 pandemic became clear. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The KPIs update ("Performance Monitoring") are reported to the Policy Advisory Committees (PAC) quarterly: Communities, Leisure & Arts PAC, Housing, Health & Environment PAC and Planning, Infrastructure & Economic Development PAC. Each committee also receives a report on the relevant priority action areas. The report was also presented to the Corporate Services PAC reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The Quarter 4 Budget & Performance Monitoring reports are being considered by the relevant Policy Advisory Committees during June 2023.

8. REPORT APPENDICES

- Appendix 1: Fourth Quarter Budget Monitoring 2022/23
- Appendix 2: Fourth Quarter Performance Monitoring 2022/23
- Appendix 3: Risk Update 2022/23
- Appendix 4: Recovery & Renewal Update 2022/23
- Appendix 5: UK Shared Prosperity Fund Update 2022/23
- Appendix 6 : Uncollectable Business Rates (NNDR)

9. BACKGROUND PAPERS

None.

Fourth Quarter Financial Update 2022/23

Corporate Services – Policy Advisory Committee

14th June 2023

Lead Officer: Mark Green

Report Author: Paul Holland

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Part A

Executive Summary & Overview

This report provides members with the financial position as at 31 March 2023, covering activity for both the Council as a whole and this committee's revenue and capital accounts for the fourth quarter of 2022/23.

In 2021/22, income recovered more strongly than expected from the pandemic and the Council generated a modest surplus compared with budget. For 2022/23, there is no more direct government funding to cover the costs of Covid, but the Council was able to set a balanced budget. Additional provision of £1.3 million was made within the 2022/23 budget for the expected impact of higher inflation on the Council's input costs. The projected peak level of inflation has increased and looks to continue to remain high for some time and is having an impact on contract and energy costs, so the unused contingency has been carried forward. We are also seeing increased demands in temporary accommodation which is linked to the financial economy. These pressures have been offset by increased levels of income and some underspends giving an outturn position which is a small underspend. The significant under and overspends have been reflected in the budget for 2023/24.

The fourth quarter monitoring report provides the forecast year end position for revenue and capital and updates the Committee on a range of other inter-related financial matters including Local Tax Collection, Reserves and Balances, Treasury Management and Maidstone Property Holdings.

With the exception of this Committee the Policy Advisory Committees that were in place for 2022/23 have now been decommissioned and reconstituted with some different responsibilities for 2023/24. These changes have been reflected in the reports that the other Committees have seen.

The headlines for Quarter 4 are as follows:

Part B: Revenue Budget – Q4 2022/23

- At the Quarter 4 stage, the Council has incurred net expenditure of £23.019m against a profiled budget of £23.231m, representing an underspend of £0.212m.
- For the services reporting directly to CS PAC, net expenditure of £10.270m has been incurred against a profiled budget of £10.894m, representing an underspend of £0.624m.

Part C: Capital Budget – Q4 2022/23

- At the Quarter 4 stage, the Council has incurred overall expenditure of £16.335m against a budget allocation within the Capital Programme of £32.631m.
- Expenditure for services reporting directly to CS PAC of £2.440m has been incurred against the budget of £9.535m.

Part D: Local Tax Collection 2022/23

- Collection rates were marginally higher than the target for the fourth quarter.
- The Council is working with other Kent councils to establish the year-end outturn position for the Kent Business Rates Pool in 2022/23.

Part E: Reserves & Balances 2022/23

- The unallocated balance on the General Fund at 1 April 2022 was £12.2m. It is anticipated that balances will remain above the minimum level set by Council.

Part F: Treasury Management 2022/23

- The Council held short-term investments of £10m, £5.0m in long term PWLB borrowing, and a further £5.0m in short-term borrowing as at 31st March 2023.

Part G: Maidstone Property Holdings Ltd. (MPH)

- MPH net rental income for Quarter 3 2022/23 was £591,964. Rent arrears as at 31st March 2023 were minimal.

Part B

Fourth Quarter Revenue Budget 2022/23

B1) Revenue Budget: Council

B1.1 At the Quarter 4 stage, the Council has incurred net expenditure of £23.019m against a profiled budget of £23.231m, representing an underspend of £0.212m.

B1.2 Tables 1, 2 and 3 below provide further insight into the Council's income and expenditure position for Quarter 4 2022/23 by providing alternative analyses: by Policy Advisory Committee (PAC), Lead Member, Priority and Subjective Heading.

Table 1: Net Expenditure 2022/23 (@ 4th Quarter): Analysis by PAC

Policy Advisory Committee	Full Year Budget (Revised 2022/23) £000	Actual £000	Variance £000
Corporate Services	10,894	10,270	624
Planning, Infrastructure & Economic Development	1,322	1,299	23
Housing, Health & Environment	9,600	10,075	-475
Communities, Leisure & Arts	1,414	1,375	39
Net Revenue Expenditure	23,231	23,019	212

Table 2: Net Expenditure 2022/23 (@4th Quarter): Analysis by PRIORITY

Priority	Full Year Budget (Revised 2022/23) £000	Actual £000	Variance £000
Safe, Clean and Green	7,557	6,969	588
Homes and Communities	1,662	2,608	-946
Thriving Place	1,532	1,746	-213
Embracing Growth and Enabling Infrastructure	725	525	200
Central & Democratic	11,755	11,172	583
Net Revenue Expenditure	23,231	23,019	212

Table 3: Net Expenditure 2022/23 (@ 4th Quarter): Analysis by SUBJECTIVE SPEND

Subjective	Full Year Budget (Revised 2022/23) £000	Actual £000	Variance £000
Employees	23,951	23,068	883
Premises	6,747	6,930	-183
Transport	636	495	141
Supplies & Services	13,790	14,220	-429
Agency	7,057	6,820	237
Transfer Payments	40,293	37,066	3,227
Asset Rents	3,085	3,084	1
Income	-72,329	-68,664	-3,665
Net Revenue Expenditure	23,231	23,019	212

'Transfer payments' include payments of housing benefit, which are falling with the introduction of Universal Credit. The underspend on transfer payments is offset by a reduction in reimbursement income from central government.

Table 4: Net Expenditure 2022/23 (@ 4th Quarter): Analysis by CABINET MEMBER

Lead Member for	Full Year Budget (Revised 2022/23) £000	Actual £000	Variance £000
Leader of the Council	1,262	1,236	26
Planning, Infrastructure & Economic Development	173	159	13
Communities, Leisure & Arts	1,414	1,375	39
Corporate Services	10,782	10,174	608
Housing & Health	2,726	3,711	-985
Environmental Services	6,874	6,364	510
Net Revenue Expenditure	23,231	23,019	212

B2) Revenue Budget: Corporate Services PAC

B2.1 Table 4 below provides a detailed summary of the budgeted net expenditure position for the services reporting directly into CS PAC at the end of Quarter 4. The financial figures are presented on an accruals basis (i.e. expenditure for goods and services received, but not yet paid for, is included).

Table 4: CS Revenue Budget: NET EXPENDITURE (@ 4th Quarter 2022/23)

(a)	(b)	(c)	(d)
Cost Centre	Approved Budget for Year	Actual	Variance
	£000	£000	£000
Maintenance of Closed Churchyards	6	0	6
Drainage	32	21	12
Street Naming & Numbering	-73	-43	-30
Sandling Road Site	28	134	-106
Maidstone House - Landlord	-191	-41	-150
Civic Occasions	55	65	-11
Members Allowances	408	453	-45
Committee Allocations	0	0	-0
Members Facilities	18	15	3
Contingency	-285	-286	1
Corporate Projects	50	0	50
Corporate Management	414	87	327
Unapportionable Central Overheads	319	230	89
Council Tax Collection	57	56	1
Council Tax Collection - Non Pooled	-356	-155	-201
Council Tax Benefits Administration	-164	-164	0
NNDR Collection	2	5	-4
NNDR Collection - Non Pooled	-239	-194	-45
MBC- BID	1	-16	17
Registration Of Electors	61	75	-14
Elections	197	245	-47
KCC Elections	0	19	-19
General Elections	0	0	-0
Emergency Centre	23	23	0
Brexit	0	-47	47
Medway Conservancy	128	128	-0
External Interest Payable	147	147	-0
Interest & Investment Income	-100	-601	501
Palace Gatehouse	-3	2	-5
Archbishops Palace	-105	-85	-19
Parkwood Industrial Estate	-287	-331	44
Industrial Starter Units	-17	-40	23
Parkwood Equilibrium Units	-89	-101	13
Sundry Corporate Properties	-210	-69	-141
Phoenix Park Units	-219	-256	37
Granada House - Commercial	-93	-119	26
MPH Residential Properties	-730	-653	-77
Heronden Road Units	-151	-195	44
Boxmend Industrial Estate	-100	-129	29
Wren Industrial Estate	-95	-113	18
General Fund Residential Properties	-57	-43	-14
Pensions Fund Management	2,169	1,248	921
Non Service Related Government Grants	-4,216	-4,249	32
Rent Allowances	-115	44	-159
Non HRA Rent Rebates	-9	-6	-3
Discretionary Housing Payments	0	-7	7
Housing Benefits Administration	-327	-312	-15

(a)	(b)	(c)	(d)
Cost Centre	Approved Budget for Year	Actual	Variance
	£000	£000	£000
Democratic Services Section	293	256	38
Mayoral & Civic Services Section	131	129	3
Chief Executive	212	210	1
Head of Policy and Communications	50	47	3
Director of Strategy Governance and Insight	86	92	-6
Revenues Section	672	670	3
Registration Services Section	102	95	7
Benefits Section	588	586	1
Fraud Section	76	65	11
Mid Kent Audit Partnership	250	208	41
Director of Finance, Resources & Business Improv	165	162	3
Accountancy Section	913	798	115
Legal Services Section	628	502	126
Director of Regeneration & Place	164	162	2
Procurement Section	113	90	24
Property & Projects Section	370	339	31
Corporate Support Section	320	300	20
Improvement Section	420	360	59
Executive Support Section	104	104	1
Head of Commissioning and Business Improveme	20	16	5
Mid Kent ICT Services	751	734	17
GIS Section	148	145	3
Director of Mid Kent Services	59	56	3
Mid Kent HR Services Section	467	438	29
MBC HR Services Section	127	125	1
Head of Revenues & Benefits	76	53	23
Revenues & Benefits Business Support	132	134	-2
Dartford HR Services Section	-8	-8	-0
IT Support for Revenues and Benefits	31	30	0
Emergency Planning & Resilience	140	136	4
Head of Property and Leisure	55	70	-15
Facilities Section	266	214	52
Salary Slippage	-286	0	-286
Town Hall	153	141	12
South Maidstone Depot	228	282	-54
The Link	53	61	-8
Maidstone House - MBC Tenant	509	455	54
Museum Buildings	315	279	36
I.T. Operational Services	633	589	45
Central Telephones	16	20	-5
Apprentices Programme	53	15	38
Internal Printing	-4	-8	4
Debt Recovery Service	10	16	-7
Debt Recovery MBC Profit Share	-122	-115	-8
General Balances	-979	-979	0
Earmarked Balances	6,774	6,824	-50
Appropriation Account	3,085	3,084	1
Pensions Fund Appropriation	-3,456	-2,550	-906
Climate change	10	4	7
Biodiversity & Climate Change	102	93	9
Totals	10,894	10,270	624

CS Revenue Budget & Outturn – Quarter 4 (By Cabinet Member)

Cabinet Member for Corporate Services

(a)	(b)	(c)	(d)
Cost Centre	Approved Budget for Year	Actual	Variance
	£000	£000	£000
Maintenance of Closed Churchyards	6	0	6
Drainage	32	21	12
Street Naming & Numbering	-73	-43	-30
Sandling Road Site	28	134	-106
Maidstone House - Landlord	-191	-41	-150
Civic Occasions	55	65	-11
Members Allowances	408	453	-45
Committee Allocations	0	0	-0
Members Facilities	18	15	3
Contingency	-285	-286	1
Corporate Projects	50	0	50
Corporate Management	414	87	327
Unapportionable Central Overheads	319	230	89
Council Tax Collection	57	56	1
Council Tax Collection - Non Pooled	-356	-155	-201
Council Tax Benefits Administration	-164	-164	0
NNDR Collection	2	5	-4
NNDR Collection - Non Pooled	-239	-194	-45
MBC- BID	1	-16	17
Registration Of Electors	61	75	-14
Elections	197	245	-47
KCC Elections	0	19	-19
General Elections	0	0	-0
Emergency Centre	23	23	0
Brexit	0	-47	47
Medway Conservancy	128	128	-0
External Interest Payable	147	147	-0
Interest & Investment Income	-100	-601	501
Palace Gatehouse	-3	2	-5
Archbishops Palace	-105	-85	-19
Parkwood Industrial Estate	-287	-331	44
Industrial Starter Units	-17	-40	23
Parkwood Equilibrium Units	-89	-101	13
Sundry Corporate Properties	-210	-69	-141
Phoenix Park Units	-219	-256	37
Granada House - Commercial	-93	-119	26
MPH Residential Properties	-730	-653	-77
Heronden Road Units	-151	-195	44
Boxmend Industrial Estate	-100	-129	29
Wren Industrial Estate	-95	-113	18
General Fund Residential Properties	-57	-43	-14
Pensions Fund Management	2,169	1,248	921
Non Service Related Government Grants	-4,216	-4,249	32
Rent Allowances	-115	44	-159
Non HRA Rent Rebates	-9	-6	-3
Discretionary Housing Payments	0	-7	7
Housing Benefits Administration	-327	-312	-15

(a)	(b)	(c)	(d)
Cost Centre	Approved Budget for Year	Actual	Variance
	£000	£000	£000
Democratic Services Section	293	256	38
Mayoral & Civic Services Section	131	129	3
Chief Executive	212	210	1
Head of Policy and Communications	50	47	3
Director of Strategy Governance and Insight	86	92	-6
Revenues Section	672	670	3
Registration Services Section	102	95	7
Benefits Section	588	586	1
Fraud Section	76	65	11
Mid Kent Audit Partnership	250	208	41
Director of Finance, Resources & Business Improv	165	162	3
Accountancy Section	913	798	115
Legal Services Section	628	502	126
Director of Regeneration & Place	164	162	2
Procurement Section	113	90	24
Property & Projects Section	370	339	31
Corporate Support Section	320	300	20
Improvement Section	420	360	59
Executive Support Section	104	104	1
Head of Commissioning and Business Improve	20	16	5
Mid Kent ICT Services	751	734	17
GIS Section	148	145	3
Director of Mid Kent Services	59	56	3
Mid Kent HR Services Section	467	438	29
MBC HR Services Section	127	125	1
Head of Revenues & Benefits	76	53	23
Revenues & Benefits Business Support	132	134	-2
Dartford HR Services Section	-8	-8	-0
IT Support for Revenues and Benefits	31	30	0
Emergency Planning & Resilience	140	136	4
Head of Property and Leisure	55	70	-15
Facilities Section	266	214	52
Salary Slippage	-286	0	-286
Town Hall	153	141	12
South Maidstone Depot	228	282	-54
The Link	53	61	-8
Maidstone House - MBC Tenant	509	455	54
Museum Buildings	315	279	36
I.T. Operational Services	633	589	45
Central Telephones	16	20	-5
Apprentices Programme	53	15	38
Internal Printing	-4	-8	4
Debt Recovery Service	10	16	-7
Debt Recovery MBC Profit Share	-122	-115	-8
General Balances	-979	-979	0
Earmarked Balances	6,774	6,824	-50
Appropriation Account	3,085	3,084	1
Pensions Fund Appropriation	-3,456	-2,550	-906
Sub-Total: Cabinet Member for Corporate Services	10,782	10,174	608

Leader of the Council

(a)	(b)	(c)	(d)
Cost Centre	Approved Budget for Year	Actual	Variance
	£000	£000	£000
Climate change	10	4	7
Biodiversity & Climate Change	102	93	9
Sub-Total: Leader of the Council	112	96	16

Totals:	10,894	10,270	624
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B2.2 The table shows that, at the Quarter 4 stage, for the services reporting directly to CS PAC, net expenditure of £10.270m has been incurred against the budget of £10.894m, representing an underspend of £0.624m.

B3) CS Revenue Budget: Significant Variances

B3.1 Within the headline figures, there are a number of both adverse and favourable net expenditure variances for individual cost centres. It is important that the implications of variances are considered at an early stage, so that contingency plans can be put in place and, if necessary, be used to inform future financial planning. Variances will be reported to each of the Policy Advisory Committees on a quarterly basis throughout 2022/23.

B3.2 Table 5 below highlights and provides further detail on the most significant variances at the end of Quarter 4.

Table 5: CS PAC Variances (@ 4th Quarter 2022/23)

	Positive Variance Q4	Adverse Variance Q4
Corporate Services	£000	
Sandling Road Site – Additional security costs for the site were the main reason for this variance.		-106
Maidstone House (Landlord) – This variance was mainly due to a shortfall in budgeted rental income for the second floor.		-150
Corporate Management – The reason for this variance was a significant decrease in the general provision for bad debts. This had been increased during the Covid-19 pandemic in anticipation of a greater level of bad debts, but it is now considered appropriate to reduce it.	327	
Unapportionable Central Overheads – This variance is due to a reduced level of pension contribution payments to Kent County Council, which reflects the level of vacant posts through the year.	89	
Council Tax Collection (Non-Pooled) - The variance on this budget has been caused by a changes to costs allocated from the Collection Fund.		-201
Interest & Investment Income – Interest rates have remained higher than forecast through the year, and there have been more funds available for investment due to slippage in the capital programme.	501	
Sundry Corporate Properties – The variance is due to an unrealised budget strategy saving for additional rental income which has not been realised as no new properties have been acquired.		-141

	Positive Variance Q4	Adverse Variance Q4
Corporate Services	£000	
MPH Residential Properties – This variance relates to an issue with the budgets being set up incorrectly, which will be corrected for 2023/24. There are no issues with the underlying position for this budget.		-77
Pensions Fund Management - The way pension costs are accounted for this variance is offset in the Pensions Fund Appropriation account below. The small variance between the two relates to a small variance in actual costs and early retirements.	921	
Rent Allowances - The budgets are set up in the expectation that income received is higher than expenditure, (due to recovery of overpayments). This year the expenditure was slightly more than income, as overpayments are becoming more difficult to recover.		-159
Pensions Fund Appropriation - See Pensions Fund Management above as these are offsetting amounts.		-906

B4) Other Revenue Budgets: Significant Variances

B4.1 Tables 6, 7 and 8 below highlight and provide further detail on the most significant variances.

Table 6: Planning, Infrastructure & Economic Development PAC Variances (@ 4th Quarter 2022/23)

	Positive Variance Q4	Adverse Variance Q4
Planning, Infrastructure & Economic Development PAC	£000	
ECONOMIC DEVELOPMENT		
Innovation Centre – The variance was caused by a number of factors, the most significant ones being business rate payments that had not been budgeted for and increased building maintenance costs as there were a number of issues that arose that had not been foreseen.		-74
Business Terrace Expansion (Phase 3) – This is a shortfall against budgeted income as a number of units were vacant during the year.		-72

	Positive Variance Q4	Adverse Variance Q4
Planning, Infrastructure & Economic Development PAC	£000	
PLANNING SERVICES		
Development Control Advice – The majority of this variance relates to a shortfall in Pre-Planning Advice income. This has come about in part due to staff vacancies within the Development Control Majors team.		-121
Development Control Appeals – There were a number of active appeals during 2022/23 and as a result there have been increased costs above what was budgeted for.		-58
Development Control Majors – Income was down against budget due to a reduction in the number of applications received. The Majors Team Leader has been seconded to the Local Plans Team and the budget for the post was also transferred for the period of the secondment.		-91
Development Control Other - Income was down against budget due to a reduction in the number of applications received.		-74

Local Plan Review

B4.1 The Local Plan Review (LPR) process is an important, high profile and continuous task undertaken by the Planning Services team. The associated revenue spending profile however is cyclical and does not fit the conventional 12-month financial planning process for general revenue expenditure. Instead, spending tends to follow the five-year production period of each Local Plan with various peaks and troughs over that time period.

B4.2 The LPR process is therefore funded through an annual £200,000 revenue contribution, in addition to the existing service budget, with any remaining unspent balances at year end automatically rolled forward into the following financial year. The table below shows the available revenue resources currently allocated to fund LPR activities, and the spend as at 31st March 2023.

Opening Balance 01/04/2022	Spending April - March 2023	Spending Balance 31/03/2023
£'s	£'s	£'s
1,477,664	687,718	789,946

Table 6a, Local Plan Review budget (Q4, 2022/23)

B4.3 In addition to the annual funding a further £1m was allocated from the New Homes Bonus for 2022/23 for the LPR.

Table 7: Housing, Health & Environment PAC Variances (@ 4th Quarter 2022/23)

	Positive Variance Q4	Adverse Variance Q4
Housing, Health & Environment Committee	£000	
Crematorium – There has been a greater demand for service with the death rate being higher than normal. There has also been an increase in memorial sales.	128	
Public Conveniences – The underspend relates to unused budgetary provision that was made for the new toilets in Mote Park which didn't open until the end of December 2022.	101	
Household Waste Collection – The overspend is due to additional bin purchases and the consultancy costs relating to the new waste collection contract.		-67
Mote Park - This overspend was caused by a number of factors – increased water costs, increased trade waste charges and costs relating to the new Estate Services Building.		-52
Homeless Temporary Accommodation - Demand has been high all year for temporary accommodation, and this is due mainly to the rise in the cost of living. There are also issues with getting people out of temporary accommodation as soon as possible, this has proved very difficult throughout the year.		-906
Ulcombe Caravan Site (Water Lane) - This overspend was caused by increased service charges from Kent County Council. This was due to issues around rent collection, and increased charges for water and electricity.		-60

Table 8: Communities, Leisure & Arts PAC Variances (@ 4th Quarter 2022/23)

	Positive Variance Q4	Adverse Variance Q4
Communities, Leisure & Arts PAC	£000	
Lockmeadow landlord costs and Lockmeadow Complex – There was a shortfall in rental income from tenants, but this was offset by significant underspends against the professional services and repairs and maintenance budgets.	48	
Market – This variance is due to a shortfall in income received through the year.		-65

B5) Virements

B5.1 In accordance with the Council's commitment to transparency and recognised good practice, virements (the transfer of individual budgets between objectives after the overall budget has been agreed by full Council) are reported to the CS PAC on a quarterly basis.

B5.2 Virements may be temporary, meaning that there has been a one-off transfer of budget to fund a discrete project or purchase, or permanent, meaning that the base budget has been altered and the change will continue to be reflected in the budget for subsequent years.

B5.3 The virements made in Quarter 4 are presented in Table 9 below.

Table 9: Virements (@ 4th Quarter 2022/23)

Reason	From	To	Value £	Perm/Temp*
Transfer Contingency to Earmarked Reserve	Contingency	Contingency for Future Funding Pressures	2,133,750	Temporary
Transfer Unused MRP to Earmarked Reserve	Minimum Revenue Provision	Future Capital Expenditure	906,970	Temporary
Fund Various LPR Costs	Spatial Planning Earmarked Reserve	Planning Policy	411,140	Temporary
Transfer Reserve to Innovation Centre	Enterprise Zone Earmarked Reserve	Enterprise Rates Income	123,200	Temporary
Fund Charges From Reserve	Homelessness Prevention & TA Reserve	Homelessness Prevention	75,000	Temporary
Fund Additional Enforcement Costs	Planning Appeals	Planning Appeals	56,160	Temporary
Fund Recovery & Renewal Spend	Recovery & Renewal Reserve	MBC HR Services Section	20,900	Temporary
Budget Allocation for Grant to Various Communities	Recovery & Renewal Reserve	Social Inclusion	20,340	Temporary
Funding for Borough Insight	Recycling/Commercial Waste	Borough Insight	12,000	Temporary
Fund Safety in Action from CCTV	CCTV	Safety In Action	2,790	Temporary
Additional Funding for the Website Project	Business Rates Growth Earmarked Balances	Website	1,200	Temporary

Part C

Fourth Quarter Capital Budget 2022/23



C1) Capital Budget: Council

- C1.1 The overall five-year Capital Programme for 2022/23 to 2026/27 was approved by the Council on 23rd February 2022. Some capital funding will now come from prudential borrowing as other sources of funding are not sufficient to cover the costs of the programme, although funding continued to be available from the New Homes Bonus (NHB) in 2022/23.
- C1.2 The 2022/23 element of the Capital Programme (including unused resources brought forward from 2021/22) has a revised budget of £32.631m. At the Quarter 4 stage, capital expenditure of £16.335m had been incurred, with budget remaining of £16.297m.

C2) Capital Budget: Corporate Services PAC

- C2.1 Progress towards the delivery of the 2022/23 CS PAC element of the Capital Programme at the Quarter 4 stage is presented in Table 10 overleaf.
- C2.2 At the Quarter 4 stage, expenditure of £2.440m has been incurred against a revised budget of £9.535m million for CS PAC. This leaves a remaining budget of £7.095m.

Capital Programme Heading	Revised Estimate 2022/23 £000	Actual to March 2023 £000	Budget Remaining £000
Housing, Health & Environment			
Housing - Disabled Facilities Grants Funding	1,640	1,228	412
Temporary Accommodation	4,330	451	3,879
Springfield Mill - Phase 2	731	738	-8
Affordable Housing Programme - Trinity Place	500	375	125
Commercial Development - Maidstone East	200		200
Private Rented Sector Housing Programme	2,310	1,653	657
1,000 Homes Affordable Housing Programme	7,600	4,406	3,194
Acquisitions Officer - Social Housing Delivery P/ship	160	180	-20
Granada House Refurbishment Works	100	41	59
Street Scene Investment	70	72	-2
Flood Action Plan	430	12	418
Electric Operational Vehicles	84	95	-11
Vehicle Telematics & Camera Systems	35	39	-4
Rent & Housing Management IT System	11	14	-3
Installation of Public Water Fountains	15		15
Crematorium & Cemetery Development Plan	250	241	9
Continued Improvements to Play Areas	126	32	94
Parks Improvements	152	133	19
Gypsy & Traveller Sites Refurbishment	1,421	1,289	131
Waste Crime Team - Additional Resources	25		25
Section 106 funded works - Open Spaces	400	283	117
Total	20,589	11,280	9,309
Communities, Leisure & Arts			
Mote Park Visitor Centre	1,307	1,690	-383
Mote Park Lake - Dam Works	486	318	168
Leisure Provision	100		100
Tennis Courts Upgrade	20	0	20
Lockmeadow Ongoing Investment	203	338	-135
Mote Park Kiosk Refurbishment & Extension	50		50
Total	2,166	2,347	-181
Corporate Services			
Corporate Property Acquisitions	3,181		3,181
Garden Community	1,100	200	900
Infrastructure Delivery	1,000		1,000
Asset Management / Corporate Property	1,261	790	471
Other Property Works	100	4	96
Biodiversity & Climate Change	250	77	173
Feasibility Studies	122	91	31
Digital Projects	25	26	-1
Software / PC Replacement	336	123	213
Maidstone House Works	1,000	356	644
Automation Projects	200	15	185
New Ways of Working - Make the Office Fit for Purpose	40	9	31
Fleet Vehicle Replacement Programme	900	723	177
Election Polling Booths	20	27	-7
Total	9,535	2,440	7,095
Planning, Infrastructure & Economic Development			
Kent Medical Campus - Innovation Centre	341	268	73
Total	341	268	73
TOTAL	32,631	16,335	16,297

Table 10: Capital Expenditure (@ 4th Quarter 2022/23)

C3) Capital Budget Variances (@ 4th Quarter 2022/23)

Corporate Services PAC

C3.1 The most (financially) notable CS PAC items in the table above are as follows:

Corporate Property Acquisitions – This budget was not utilised as no suitable properties for purchase were identified. The budget will be carried forward into 2023/24.

Garden Community – Work is continuing on developing this project, with any unused balance being carried forward into 2023/24.

Infrastructure Delivery - At this stage there are no plans to spend this budget, and it will be carried forward to 2023/24.

Maidstone House – The initial phase of works, including upgrading the reception area and external signage, was completed in 2022/23. Work on the lifts is currently under way, and the unused budget will be carried forward into 2023/24 for the next phase of work.

Housing, Health & and Environment PAC

C3.2 The most (financially) notable HHE PAC items in the table above are as follows:

Disabled Facilities Grant Funding - The time taken to approve DFG payments has improved significantly, with the average time reducing from 50 days to 11 days. A review of the DFG process has been completed by an independent organisation and the recommendations have either been implemented or informed the new Housing Renewal Policy 2023. The draft policy was considered and recommended for approval by CHE PAC in February 2023 before adoption by the Executive. The new working practices and policy will provide for a better experience for our residents and see further improvements in the delivery of grants.

Temporary Accommodation - This is the funding for the latest phase of property acquisitions to provide accommodation for temporarily homeless families and persons. There were only two acquisitions to this year, due to the high level of house prices during the year. More acquisitions are taking place in 2023/24 as more properties have been identified at affordable prices.

Private Sector Rented Housing Programme/ 1,000 Homes Affordable Housing Programme

A number of schemes are at various stages of development, and further land/property acquisitions have taken place during the year. The variance relates mainly to larger scale schemes that have not progressed as far as was anticipated by the end of March. Some schemes will also contain elements of both private rented and affordable housing so the costs may change depending on the mix at the sites where this happens.

Flood Action Plan - At this stage there are no plans to spend this budget, and it will be carried forward to 2023/24.

Communities, Leisure & Arts PAC

C3.3 The most (financially) notable CLA PAC items in the table above are as follows:

Mote Park Visitor Centre – The centre is now open but there have been some unanticipated costs that mean the project will cost more than initially budgeted for. Funding has been identified for this overspend.

Lockmeadow Ongoing Investment – Construction costs rose after the budget was set, hence the overspend. The budgets for future expenditure can be adjusted to compensate for this overspend.

Part D

Fourth Quarter Local Tax Collection 2022/23



D1) Collection Fund

- D1.1 A large proportion of the Council's income is generated through local taxation (Council Tax and Business Rates), which is accounted for through the Collection Fund.
- D1.2 Due to the risk in this area, including the risk of non-collection and the pooling arrangements in place for Business Rates growth, the Council monitors the Collection Fund very carefully.
- D1.3 There are statutory accounting arrangements in place which minimise the in-year impact of collection fund losses on the general fund revenue budget, however, losses incurred in one year must be repaid in subsequent years so there is a consequential impact on future budgets and the medium-term financial strategy.

D2) Collection Rates & Reliefs

- D2.1 The collection rates achieved for local taxation are reported in the table below.

Table 11: Local Tax Collection Rates (Q4 2022/23)

Description	Target Q4 2022/23	Actual Q4 2022/23
Council Tax	95.75%	96.76%
Business Rates	95.20%	97.65%

- D2.2 The amount of Council Tax and Business Rates collected is marginally higher than the quarter 4 target.

D3) Kent Business Rates Pool

- D3.1 The council has continued to participate with other Kent authorities during 2022/23 to maximise the proportion of business rates growth it is able to retain. Forecasts from those in the pool have been requested and we will have an update once we receive all Business Rate quarter 4 figures. As in previous years, any funding will be allocated to spending which supports the delivery of the council's Economic Development Strategy.
- D3.2 As part of the pooling arrangements, pool members share the risks, as well as the rewards of pool membership. Business rates retention scheme is extremely difficult to forecast, due to the number of unknowns e.g. the impact of the removal of expanded reliefs to businesses affected by Covid-19, and the longer term impacts on local, national and global economies.

Part E

Reserves & Balances 2022/23

E1) Reserves & Balances

E1.1 The combined total of the General Fund balance and Earmarked Reserves as at 1 April 2022 was £33.8 million, including £10.2 million set aside to fund future collection fund deficits. The makeup of the balance, and the forecast movements during 2022/23 are presented in Table 12 below.

E1.2 The closing balance enables a minimum general fund balance of £4.0 million to be maintained, as agreed by full Council in February 2022.

Table 12: Reserves & Balances Quarter 4 2022/23

	Balance 1st April 2022	Estimated movement in 2022/23	Estimated Balance as at 31st March 2023
	£000	£000	£000
General Fund			
Unallocated Balance	11,362	24	11,386
Subtotal	11,362	24	11,386
Earmarked Reserves			
Spatial Planning	0	559	559
Housing Investment Fund	0	3,216	3,216
Neighbourhood Planning	97	(20)	77
Planning Appeals	286	(56)	229
Trading Accounts	0	0	0
Civil Parking Enforcement	400	(31)	370
Future Capital Expenditure	2,426	29	2,455
Future Funding Pressures	969	1,300	2,269
Homelessness Prevention & Temporary Accommodation	1,279	(155)	1,124
Business Rates Earmarked Balances	3,681	(153)	3,529
Funding for Future Collection Fund Deficits	10,284	(10,284)	0
Commercial Risk	500	0	500
Invest to Save	500	0	500
Recovery and Renewal Reserve	778	(202)	575
Renewable Energy	119	70	188
Enterprise Zone	4	(4)	0
Majors Works (MH) Sinking Fund	0	213	213
Resources carried forward from 2021/22 to 2022/23	1,184	(1,184)	0
Resources carried forward from 2022/23 to 2023/24		200	200
Subtotal	22,508	(6,503)	16,005
Total General Fund and Earmarked Reserves	33,870	(6,480)	27,390

Table 12: General Fund and Earmarked Balances at Q4 2022/23

Part F

Treasury Management 2022/23

F1) Introduction

The Council has adopted and incorporated into its Financial Regulations, the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code).

The CIPFA Code covers the principles and guidelines relating to borrowing and investment operations. On 23rd February 2022, the Council approved a Treasury Management Strategy for 2022/23 that was based on this code. The strategy requires that Corporate Services Policy Advisory Committee should formally be informed of Treasury Management activities quarterly as part of budget monitoring.

F2) Economic Headlines

During the Quarter ended 31st March 2023, the Council's Advisors, Link Asset Services, reported:

- A 0.5% month on month rise in GDP in October, mostly driven by the reversal of bank holiday effects;
- CPI inflation fell to 8.9% in March 2023 from 10.1% in February 2023;
- Average wage increases are currently running over 6% with unemployment rates at 3.7%;
- Interest rates rise by 75 basis points over Quarter 4, taking Bank Rate to 4.25%;
- The pound (£) has remained resilient of late, recovering from a record low of \$1.035, to \$1.23.

F3) Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Their advice is set out in this section.

The PWLB interest rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Table 13: Interest Rate Forecast

Link Group Interest Rate View 25.05.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	4.75	5.00	5.00	4.75	4.50	4.00	3.50	3.25	2.75	2.50	2.50	2.50	2.50
3 month ave earnings	4.80	5.00	5.00	4.80	4.50	4.00	3.50	3.30	2.80	2.50	2.50	2.50	2.50
6 month ave earnings	5.10	5.20	5.10	4.90	4.50	3.90	3.40	3.20	2.90	2.60	2.60	2.60	2.60
12 month ave earnings	5.40	5.40	5.30	5.00	4.50	3.90	3.40	3.20	2.90	2.70	2.70	2.70	2.70
5 yr PWLB	5.00	5.00	5.00	4.80	4.50	4.10	3.70	3.50	3.30	3.20	3.20	3.10	3.10
10 yr PWLB	5.00	5.00	5.00	4.80	4.40	4.10	3.80	3.60	3.50	3.40	3.30	3.30	3.30
25 yr PWLB	5.30	5.30	5.20	5.10	4.80	4.50	4.20	4.00	3.80	3.70	3.60	3.60	3.60
50 yr PWLB	5.10	5.10	5.00	4.90	4.60	4.30	4.00	3.80	3.60	3.50	3.40	3.40	3.40

BANK RATE

The above forecast for interest rates has been updated on 26th May 2023 and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened to a degree but with inflation remaining elevated we anticipate that Bank Rate will need to increase to at least 5%, if not higher, to sufficiently slow the UK economy and loosen the labour market.

It is anticipated that the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing remains one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged. Our current judgment is that rates will have to increase and stay at their peak until the spring of 2024 as a minimum.

On the positive side, consumers are still estimated to be sitting on significant excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, most of those excess savings are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Gilt yield curve movements have shifted upwards in recent weeks and remain relatively volatile. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.75% to 5.50%.

We view the markets as having recalibrated the level of reward required by investors to hold UK sovereign debt (c0.75% higher than in March).

F4) Council Investments

The council held investments totaling £38.75m at the start of the year which has reduced to £8.54m on 31st March 2023. Investment levels are at their lowest at the end of each financial year due to a high proportion of income streams like Council tax and Business rates only being paid over a 10 month period to January each year, but expenditure levels continue throughout the year.

A full list of investments held at this time is shown at Table 15 below. All investments are held in either short term notice accounts or money market funds, to be readily available to fund the Council's liabilities, including the capital programme.

Table 14: Short-Term Investments (4th Quarter 2022/23)

Counterparty	Type of Investment	Principal £	Start Date	Maturity Date	Rate of Return	MBC Credit Limits	
						Maximum Term	Maximum Deposit
Aberdeen Standard Liquidity Fund	Money Market Fund	1,945,000			4.05%		£10,000,000
CCLA Public Sector Deposit Fund	Money Market Fund	6,595,000			4.12%		£10,000,000
Total Investments		8,540,000					

Investment income for 2022/23 totals £0.591m against a budget of £0.100m with an average rate of 2.21% over the year. The increase income is due to interest rates increasing throughout the year as detailed in F3 Interest Rates above.

F5) Council Borrowing

The Council held external borrowing amounting to £9m at the start of 2022/23. Total borrowing as at 31st March 2023 was £10m with a breakdown shown in Table 15 below. Additional short-term borrowing of £5m was required on 28th February 2023 from Northern Ireland Housing Executive which was required to repay £11.9m to Department of Levelling up and Housing Communities (DLUHC) for Section 31 grant funding.

Table 15: Council Borrowing (4th Quarter 2022/23)

Counterparty	Type of Institution	Principal £	Start Date	Maturity Date	Interest Rate
Public Works Loans Board	Central Government	2,000,000	11/11/2021	11/11/2071	1.73%
Public Works Loans Board	Central Government	3,000,000	30/12/2021	30/12/2071	1.56%
Northern Ireland Housing Executive	Housing Authority	5,000,000	28/02/2023	30/05/2023	4.05%
Total Loans		10,000,000			

The Council has also committed to £80m future borrowing to fund the capital programme, currently forecasted at around £200m over the next 5 years. The loans were procured through a tendering process undertaken by Link Asset Service. Details of these can be found in Table 16 below.

Table 16: Committed Borrowing (4th Quarter 2022/23)

Counterparty	Type of Institution	Principal £	Start Date	Maturity Date	Interest Rate
Aviva Life & Pensions UK Limited	Corporate Lender	20,000,000	13/02/2024	13/02/2064	2.87%
Aviva Life & Pensions UK Limited	Corporate Lender	20,000,000	13/02/2024	13/02/2074	2.87%
Aviva Life & Pensions UK Limited	Corporate Lender	20,000,000	13/02/2025	13/02/2075	2.87%
Aviva Life & Pensions UK Limited	Corporate Lender	20,000,000	13/02/2026	13/02/2076	2.87%
Total		80,000,000			

Part G

Maidstone Property Holdings 2022/23



G1) Maidstone Property Holdings Ltd. (MPH)





- G1.1 MPH is a wholly-owned subsidiary of the Council and was incorporated on 30th September 2016. It is primarily a vehicle for letting residential properties on assured short-hold tenancies.
- G1.2 An Internal Audit review identified that there should be a mechanism in place to enable the company to formally report to the Council. Given the current level of activity within the company is relatively low, it was decided that this would be done via the quarterly budget monitoring process (previously to the Policy and Resources Committee, now to this Committee). This section of the report provides an overview of the activity and performance of the company for the year to date.
- G1.3 The MPH financial year-end is 31st March, in order to align with the Council's financial reporting period.




G2) MPH Headlines

- G2.1 During 2021/22 management of residential accommodation transferred from an external agent to the Council's in-house accommodation team. MPH also took on the lease of new flats at Tower Hill (Brunswick Street), Tylers Place (Union Street) Springfield Place and Springfield Mill. Granada House and a number of other individual residential properties are also included in the portfolio.
- G2.2 Net rental income up to the end of the fourth quarter of 2022/23 totals £591,964 (2021/22 £517,666) This represents rent collected, less running costs, maintenance costs and recharges for staff time. As at 31st December 2022, there were minimal rent arrears.
- G2.3 The Council receives income from the company through charges made for services provided, and the property lease. After these charges and other expenses, it is expected that the company will achieve a breakeven position for 2022/23.
- G2.4 As company activity increases over time, governance and reporting arrangements will be kept under review to ensure that they remain appropriate and commensurate with the scope of activity and associated risks.









Part A – Corporate Services: Quarter 4 Performance Report

Key to performance ratings







RAG Rating	
	Target not achieved
	Target slightly missed (within 10%)
	Target met
	Data Only

Direction	
	Performance has improved
	Performance has been sustained
	Performance has declined
N/A	No previous data to compare





Recovery: Communities

Performance Indicator	Q4 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Number of new Council Tax Support (CTS) applications received	662				
Total number of live Council Tax Support (CTS) cases as of the end of the quarter	9,599				

Recovery: The Council's Financial position

Performance Indicator	Q4 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage of Non-domestic Rates Collected (BV 010)	97.65%	95.20%			
Percentage of Council Tax collected (BV 009) (average is taken January – March 2023)	96.76%	95.75%			















Recovery: The Way We Work

Performance Indicator	Q4 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Total running costs of Maidstone House in the period	TBC				

APPENDIX 2

Due to a delay in collecting the data, the information for this KPI was not available ahead of the Q4 report being published. An update will be provided to this PAC once available.

Quarter 4 Key Performance Indicators (22/23) across all PACs that were missed by more than 10%

Performance Indicator	Q4 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage of successful Relief Duty outcomes	38.41%	60%			
Footfall in the Town Centre	356,574	468,658			N/A
Percentage of unemployed people in Maidstone (out-of-work benefits) [NOMIS]	2.8%	2.2%			
Number of youths unemployed (18-24)	563	373			
Percentage of priority 1 enforcement cases dealt with in time	50%	95%			

We have created a Dashboard on our website, which tracks unemployment figures across all ages, taken from the ONS' data. This data is updated regularly and can be accessed here: <https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data/tier-3-primary-areas/performance-And-stats/tier-3-primary-areas/dashboards/dashboards/out-of-work-benefits-and-average-property-prices-data>

HHE PAC – Housing

The “**Percentage of successful Relief Duty outcomes**” indicator outcome achieved a result of 38.41%, which has declined against last quarter (45.79%), however has improved against Q4 2021/22 (37.74%). The indicator missed its target by 21.6%.

As previously reported, this target is ambitious and significantly higher than national figures on the percentages of homelessness being successfully relieved. The target has been revised for 2023/24.

The performance of 38.41% of homelessness relieved in the quarter demonstrates average performance and is on par with the national average of homelessness relieved for the quarter of 38.2%, taken from the detailed Local Authority tables for statutory homelessness. It is also much higher than the Kent average of 33.8%.

PIED PAC – The Economy

Using the data from HUQ, the “**Footfall in Town Centre**” KPI achieved an outcome of 356,574 against a target of 468,658, missing its target by more than 10%. The footfall for the current quarter has increased by 5,000 compared to the previous quarter. However, it is important to note that this figure may be influenced by the inflation rate, which reached 10% by the end of March. As a result, people may be adapting their spending patterns, which could impact the footfall figures.

The “**Percentage of unemployed people in Maidstone (out of work benefits)**” KPI achieved a figure of 2.9% in March 2023, against a pre-pandemic target of 2.2%. The recent trend over the last nine months indicates that the percentage of unemployed individuals has been relatively stable, fluctuating between 2.8% and 2.9%. The long-term trend over the past year shows a gradual decline in the percentage of unemployment, although it has not fallen below 2.8% since June 2022. Whilst this rate is higher than the pre-pandemic target, it is significantly lower than the rates seen throughout 2020 and 2021.

The “**Number of youths unemployed (18-24)**” KPI achieved an average figure of 563 in Q4 22/23, against a target of 373. The target of 373 is taken from the average monthly number of youths employed in 2019/20 (pre-pandemic).

The number of unemployed youths remained steady at 560 in January, the same as in December, but decreased by 5 in February before increasing by 15 in March. Despite this, the figure of 560 marks a measurable decrease since January 2022 when the Omicron Variant of COVID was coming to an end. However, it is important to note that this figure is still significantly higher than pre-pandemic levels and has been slowly increasing since the summer of 2022.

In March 2023, the percentage of Youths (18-24 years) unemployed in Maidstone was 4.7%, which was higher than the Southeast average of 3.7% but lower than the National average of 4.9%.





PIED PAC – Embracing Growth & Enabling Infrastructure




The “**Percentage of priority 1 enforcement cases dealt with in time**” KPI achieved 50% against a Q4 target of 100%. However, there were only two priority 1 enforcement cases in the period, and both were visited on time. However, due to one of the reports falling on a bank holiday, and annual leave being taken after, the system was not updated on time.



Part B – Corporate Services : 2022/2023 End of Year Outturn

Key to performance ratings

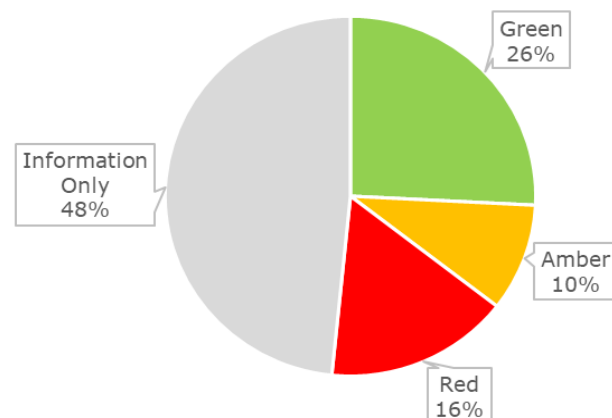
RAG Rating	
	Target not achieved
	Target slightly missed (within 10%)
	Target met
	Data Only

Direction	
	Performance has improved
	Performance has been sustained
	Performance has declined
N/A	No previous data to compare





Annual Performance Summary

Policy Advisory Committee	Green	Amber	Red	Information Only
Corporate Services	2	0	0	5
Planning, Infrastructure & Economic Development	4	1	3	5
Housing, Health & Environmental Services	2	2	2	5
Communities, Leisure & Arts	0	0	0	0
Total	8	3	5	15



Target Status of all KPIs across the PACs
2022/23




Recovery: Communities

Performance Indicator	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Annual 2022/23	Annual Target 2022/23	Annual Status	Direction of travel (Last Year)
Number of new Council Tax Support (CTS) applications received	665	694	598	662	2,619			↓
Total number of live Council Tax Support (CTS) cases as of the end of the quarter	9,593	9,645	9,555	9,599	9,599			↓

Recovery: The Council's Financial position

Performance Indicator	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Annual 2022/23	Annual Target 2022/23	Annual Status	Direction of travel (Last Year)
Percentage of Non-domestic Rates Collected (BV 010)	35.80%	62.52%	82.61%	97.65%	97.65%	95.20%	✓	↑
Percentage of Council Tax collected (BV 009)	19.03%	46.20%	73.03%	96.76%	96.76%	95.75%	✓	↓
Council Investment in long term assets*	Annual PI				£10,945,189			↑

Recovery: The Way we Work

Performance Indicator	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Annual 2022/23	Annual Target 2022/23	Annual Status	Direction of travel (Last Year)
Total running costs of Maidstone House in the period	£154,681	£714,177	£772,799	TBC	TBC		TBC	TBC







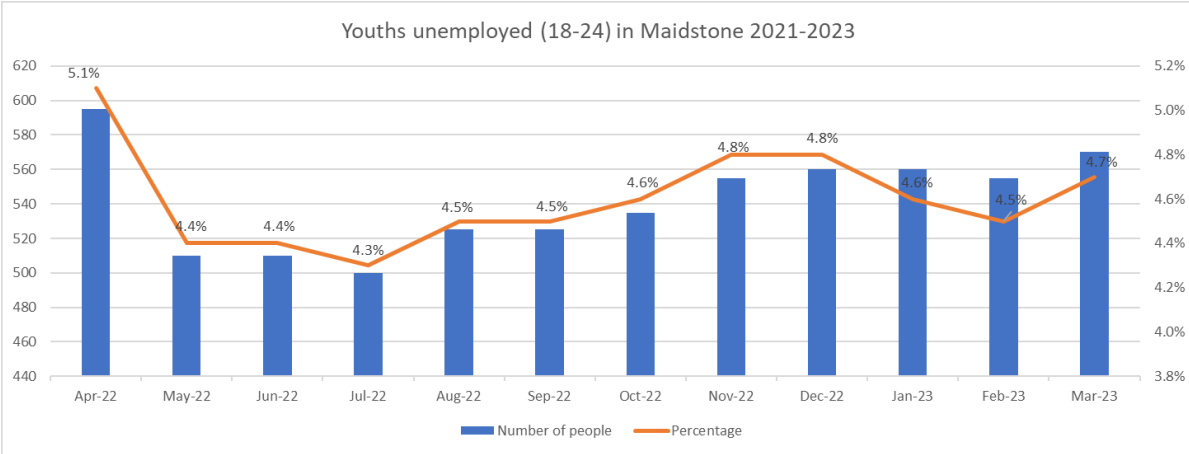


Notes

- Due to a delay in collecting the data, the information for KPI “Total running costs of Maidstone House” was not available ahead of the Q4 and annual report being published. An update will be provided to this PAC once available.
- Direction of travel for targeted performance indicators shows if performance has improved or declined. For data only performance indicators direction of travel shows if there has been an increase or decrease in volume.
- *Council Investments in long-term assets, as detailed in the Capital Programme summary:

52

Service/Area of Investment	Spend
Housing – Disabled Facilities Grant Funding	£1,227,774
Temporary Accommodation	£450,656
Springfield Mill – Phase 1 & 2	£738,274
Private Rented Sector Housing Programme	£4,313,138
Affordable Housing Programme	£1,999,163
Flood Action Plan	£11,550
Crematorium & Cemetery Development Plan =	£240,868
Continued Improvement to Play Areas	£31,507
Parks Improvements	£132,797
Mote Park Visitor Centre & Mote Park Lane	£1,689,990
Mall Bus Station Redevelopment	£110,472

2022/23 Key Performance Indicators across all PACs, that were missed by more than 10%

Indicator	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Annual 2022/23	Annual Target 2022/23	Annual Status	Direction of travel (Last Year)																																							
Percentage of successful Relief Duty outcomes <i>HHE PAC</i>	47.12%	42.17%	45.79%	38.41%	43.06%	60%																																									
Footfall in the Town Centre <i>PIED PAC</i>	2,417,464	428,180	351,489	356,574	3,553,707	4,128,349																																									
Percentage of vacant retail units in the town centre <i>PIED PAC</i>	Annual KPI				16.3%	11%																																									
Number of youths unemployed (18-24 years) <i>PIED PAC</i>	<div><p>Youths unemployed (18-24) in Maidstone 2021-2023</p><table><caption>Youths unemployed (18-24) in Maidstone 2021-2023</caption><thead><tr><th>Month</th><th>Number of people</th><th>Percentage</th></tr></thead><tbody><tr><td>Apr-22</td><td>590</td><td>5.1%</td></tr><tr><td>May-22</td><td>510</td><td>4.4%</td></tr><tr><td>Jun-22</td><td>510</td><td>4.4%</td></tr><tr><td>Jul-22</td><td>500</td><td>4.3%</td></tr><tr><td>Aug-22</td><td>520</td><td>4.5%</td></tr><tr><td>Sep-22</td><td>520</td><td>4.5%</td></tr><tr><td>Oct-22</td><td>530</td><td>4.6%</td></tr><tr><td>Nov-22</td><td>550</td><td>4.8%</td></tr><tr><td>Dec-22</td><td>550</td><td>4.8%</td></tr><tr><td>Jan-23</td><td>540</td><td>4.6%</td></tr><tr><td>Feb-23</td><td>530</td><td>4.5%</td></tr><tr><td>Mar-23</td><td>550</td><td>4.7%</td></tr></tbody></table></div>					Month	Number of people	Percentage	Apr-22	590	5.1%	May-22	510	4.4%	Jun-22	510	4.4%	Jul-22	500	4.3%	Aug-22	520	4.5%	Sep-22	520	4.5%	Oct-22	530	4.6%	Nov-22	550	4.8%	Dec-22	550	4.8%	Jan-23	540	4.6%	Feb-23	530	4.5%	Mar-23	550	4.7%	373 (March 2023)		
Month	Number of people	Percentage																																													
Apr-22	590	5.1%																																													
May-22	510	4.4%																																													
Jun-22	510	4.4%																																													
Jul-22	500	4.3%																																													
Aug-22	520	4.5%																																													
Sep-22	520	4.5%																																													
Oct-22	530	4.6%																																													
Nov-22	550	4.8%																																													
Dec-22	550	4.8%																																													
Jan-23	540	4.6%																																													
Feb-23	530	4.5%																																													
Mar-23	550	4.7%																																													

HHE PAC – Housing

The “**Percentage of successful Relief Duty outcomes**” indicator outcome achieved an annual result of 43.06%, against its target of 60%. However, as previously reported, this target is ambitious and significantly higher than national figures on the percentages of homelessness being successfully relieved. The target has been revised for 2023/24.

Those helped at the ‘Relief stage’ (those who approached as homeless on the day) has a success rate of 43%, which is slightly better than the national average. This figure largely depends on the availability of move on accommodation and unfortunately, we experienced a reduction in the number of vacant properties becoming available from our Housing Association partners. During 2022/23 we successfully nominated 555 households, which is the lowest number of lettings since 2008/09.

PIED PAC – The Economy

The “**Footfall in the Town Centre**” indicator outcome achieved an annual result of 3,553,707 against its target of 4,128,349. The council no longer uses Springboard to record town centre footfall, (from a fixed camera in Week Street) which was unable to identify unique visitors and would record every movement past camera. From quarter two this year, the Council has used data from HUQ, and the targets were adjusted accordingly, as per HUQ’s guidance and benchmarking. HUQ data measures unique visitors to the Town Centre using mobile phone data.

The footfall in quarter 4 (22/23) missed its new target, however had increased by 5,000 compared to the previous quarter. However, it is important to note that this figure may be influenced by the inflation rate, which reached 10% by the end of March. As a result, people may be adapting their spending patterns, which could impact the footfall figures.

The “**Percentage of vacant retail units in the town centre**” KPI achieved an annual outturn of 16.3%, against its target of 11%. This was a fall of 1.9% from April 2021, but a rise of 0.6% since January 2022 survey data.

The “**Number of youths unemployed (18-24 years)**” achieved an outturn of 570 in March 2023, compared to a pre-pandemic target of 373. Despite this, the figure of 570 marks a measurable decrease since January 2022 when the Omicron Variant of COVID was coming to an end. However, it is important to note that this figure is still significantly higher than pre-pandemic levels and has been slowly increasing since the summer of 2022. In March 2023, the percentage of Youths (18-24 years) unemployed in Maidstone was 4.7%, which was higher than the Southeast average of 3.7% but lower than the National average of 4.9%.



Part C – Corporate Services: 2023/24 Key Performance Indicators

Indicator	New or Existing	Frequency	Target	Service
Lead Member for Corporate Services				
Percentage of households receiving Council Tax Support (CTS)	New	Quarterly	Information Only	Zoe Kent
Percentage of Non-domestic rates collected	Existing	Quarterly	Incremental target throughout the year	Zoe Kent
Percentage of Council Tax collected	Existing	Quarterly	Incremental target throughout the year	Zoe Kent
Percentage of vacant commercial space (excluding property for development)	New	TBC	30%	Katie Exon
Percentage Change of Carbon Emissions from MBC Buildings/Fleet (Scope 1 and 2)	New	Annual	TBC	Katie Exon



Fourth Quarter Risk Update

2022/23

June 2023
Corporate Services PAC
Report Author: Alison Blake
(Interim Deputy Head of Audit)

Introduction

A key principle of good governance is managing the *effect of uncertainties on the achievement of our objectives* (our risks). Having arrangements in place to identify and manage our risks increases the probability of achieving corporate and operational objectives by controlling risks in balance with resources. Good risk management also increases our ability to cope with developing and uncertain events and helps to instil a culture of continuous improvement and optimisation.

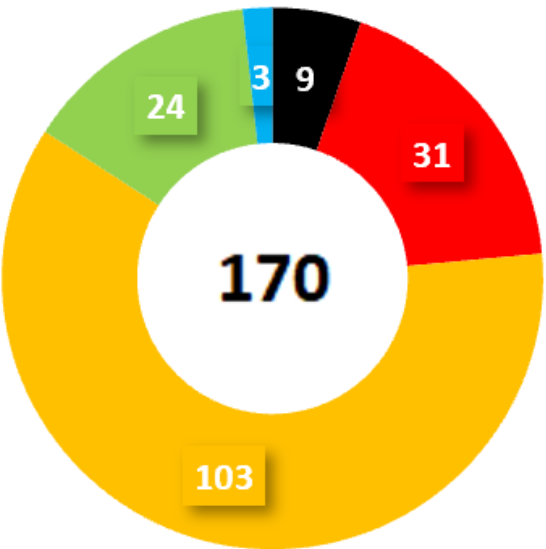
The Risk Management Framework sets out how the Council identifies, manages and monitors risks. This includes the risk appetite statement, which articulates how much risk the Council is comfortable with and able to bear. The Council is currently updating its Risk Management Framework (which was last reviewed in 2019). The new Framework will be taken to Audit, Governance and Standards Committee for approval in July.

A key part of the risk management process is to report risk information to understand how the risks to the Council are changing and what risks are emerging. This report sets out the Council’s corporate risks, describes the risks ‘on the horizon’ and includes the Council’s operational risk profile, detailing the most significant operational risks.

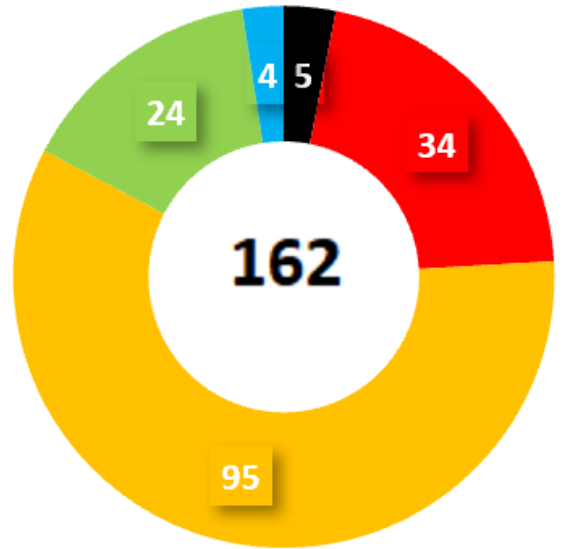
The Council will undertake a complete review and refresh of its Corporate Risk Register at a workshop involving Members and Officers in June. The new corporate risks will be reported to CS PAC as part of the next update report in September.

The Council’s overall risk profile is pictured in the diagrams below. These show a slight decrease in the overall number of risks and a decrease in the number of black risks following the incorporation of two housing operational risks into the corporate risk, and a reduction in the infrastructure risk.

Current Risk Profile (Jan' 23)



Current Risk Profile (May' 23)



Corporate Risks

The Council's corporate risks are reported quarterly to the Corporate Services Policy Advisory Committee to ensure effective oversight and monitoring. The risks are reviewed and updated by risk owners including progress against any related risk actions.

The table below summarises the **15** risks on the corporate risk register. Further detail on the corporate risks, including a description of the risk and details of existing and planned key controls are included in Appendix A. Appendix B outlines the impact and likelihood scoring criteria.

No	Corporate risk	Jan' 23 Current Risk	May 2023		Corporate Priority			
			Current Risk	Mitigated Risk				
1	Financial uncertainty	25	25	16	✓	✓	✓	✓
2	Election failure / challenge	25	20	16	✓	✓	✓	✓
3	Construction costs / contractor insolvency	20	20	16	✓		✓	✓
4	Housing pressures increasing	20	20	16	✓		✓	
5	Environmental damage	16	16	16		✓	✓	✓
6	Cost of Living Crisis	9	16	12		✓	✓	
7	Diminished local retail and leisure sector	16	16	12	✓			✓
8	Major unforeseen emergency	15	15	12	✓	✓	✓	✓
9	Major contractor, supplier or tenant failure	12	12	12	✓	✓	✓	✓
10	IT network failure	12	12	9	✓	✓	✓	✓
11	Not fulfilling residential property responsibilities	12	12	9	✓		✓	
12	Ability to access / leverage new funding	12	12	9	✓	✓	✓	✓
13	Loss of workforce cohesion and talent	12	9	9	✓	✓	✓	✓
14	Reduced effectiveness of relationships with strategic partners	9	9	9	✓	✓	✓	✓
15	Governance changes	9	9	6	✓	✓	✓	✓

Our Priorities

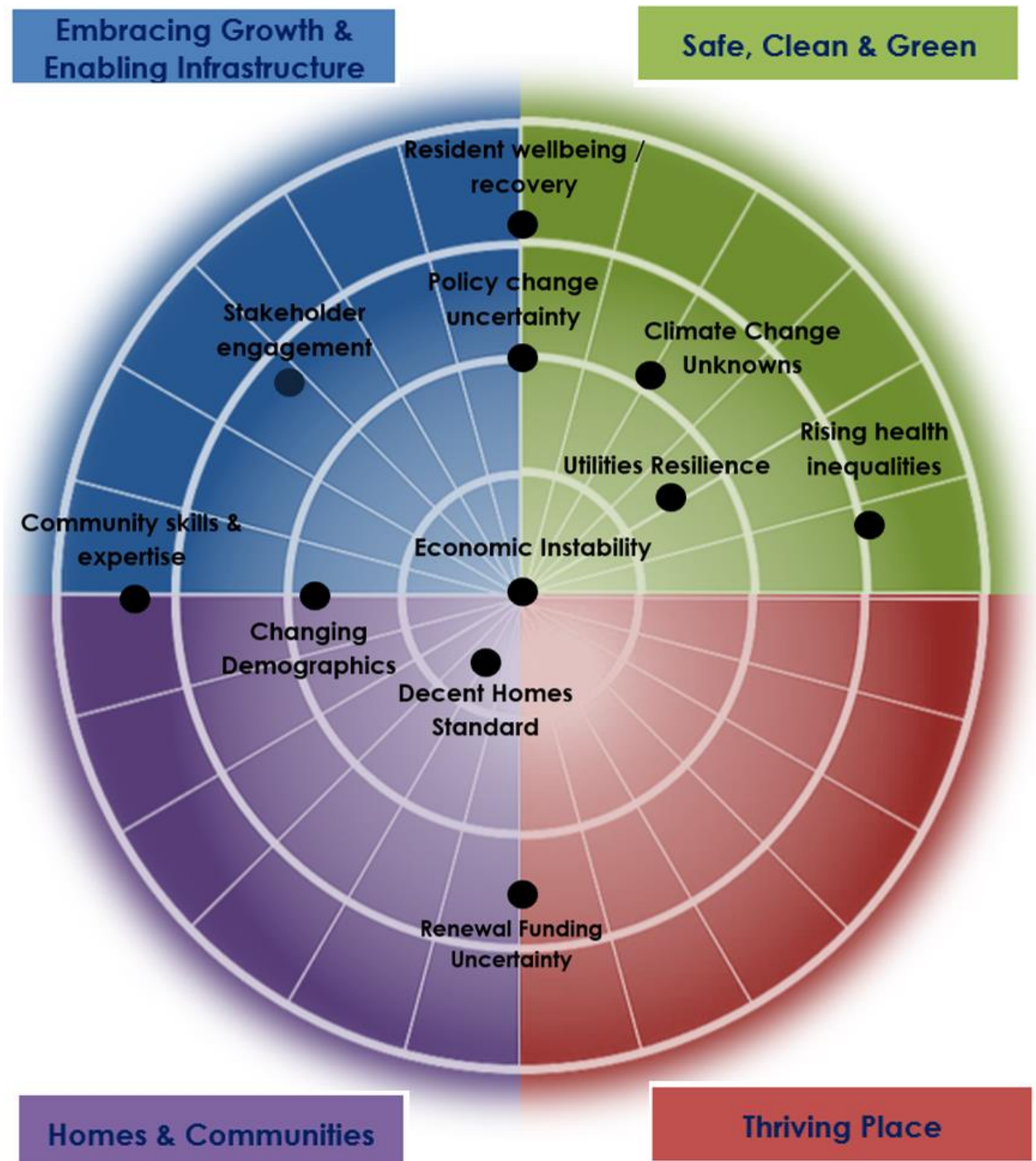


The **loss of workforce cohesion and talent** risk has reduced since the last report as a result of an improving recruitment market. The **contractor failure** risk description has been expanded to include suppliers and tenants. The **Elections** risk has been updated and re-framed to reflect the implications of voter ID on future elections. The resilience of the voluntary and community sector has been re-framed and re-scored to reflect the increased demands from the **cost of living crisis**.

External Threats (horizon scanning)

Our horizon scanning process identifies external threats over which we have no direct control or ability to manage the impact on delivery of our priorities. Our response to these threats will be an important factor in how we develop our strategies, policies and how we translate that into service delivery. As such, we can draw down any of these threats into our corporate risk register if (or when) the time is right.

For the time being, we will keep our eye on these threats and continue to provide updates as part of the quarterly monitoring report. The diagram summarises the external threats aligned to each of our priorities with those closest to the centre being those likely to happen soonest.

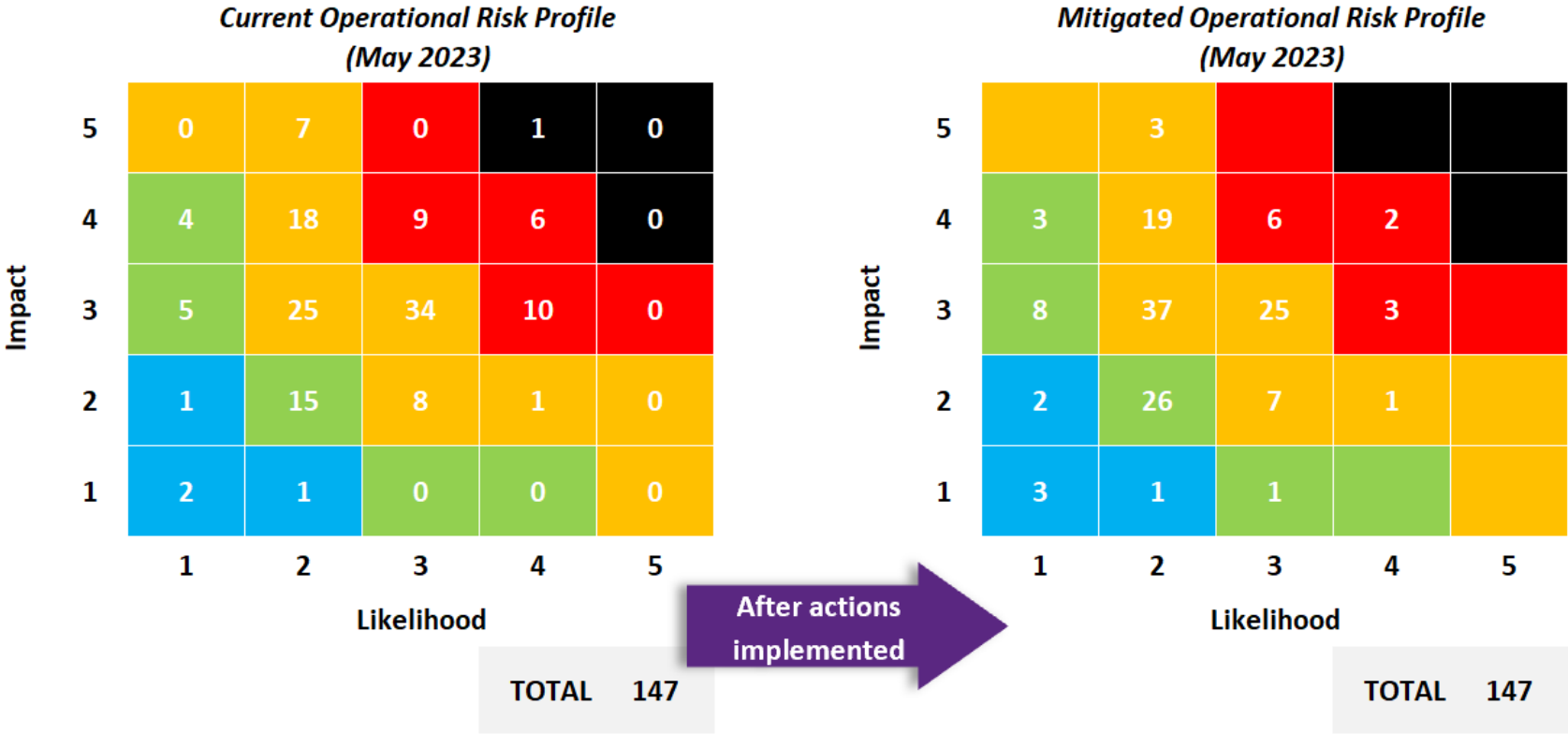


The following points provide some more detail on the threats outlined in the diagram above:

- **Changing Demographics** – changes in local demographics as local residential development expands and census results become clearer, changes predicted service provision.
- **Climate change unknowns** – some of the implications of climate change are already captured within the corporate risk register. But this reflects the possibility of other as yet unknown implications from climate change.
- **Community skills and expertise** – decline in diversity of skills and expertise within communities.
- **Decent homes standard** – ability of Maidstone BC to ensure its homes meet new guidelines.
- **Economic Instability** – uncertainty around employment rates, interest rates and inflation increases, and the effect this will have on the local economy, residents' financial position and our operational and contractual costs and wage bill.
- **Funding uncertainty** – ability of Maidstone BC to get funding which matches its aspirations and delivery goals.
- **Policy change uncertainty** – potential for changes in legislation and other central government policy changes.
- **Resident Wellbeing and recovery** – potential for residents in the borough to not have long term improvements to their wellbeing
- **Rising health inequalities** – increasing inequality in access to health care provisions.
- **Stakeholder engagement** – heightened sensitivity to Council plans leading to increased intolerance and complaints.
- **Utilities Resilience** – loss of water, electricity or telecoms over a wide area in the Borough.

Operational Risks

The following matrix sets out the operational risk profile of the Council including shared service risks. It shows the ‘business as usual’ position (*current risk*) and the position once all planned actions are implemented (*mitigated risk*). Compared to January 2023 the overall number of risks has decreased from 155 to 147, including the downgrading of the black *infrastructure improvements* risk.



The 1 remaining black operational risk is detailed below:

Waste Collection Contract costs increase. Annual contract financial review could result in increase in costs associated with the contract, or contract not being viable for the contractor.					
Service Area: Environmental Services & Public Realm		Ownership: Jen Stevens		Current Score: I5 x L4	20
<p>Causes</p> <p>National HGV driver shortage is having impact on collection costs due to substantial pay increases to attract and retain staff</p> <p>New contract from 2023 could be financially unviable given the requirements set out in the specification and if the full extent of the carbon reduction requirements are to be realised e.g. full electric RCV fleet</p> <p>Consequences</p> <p>Financial burden on the council.</p> <p>Potential reconsideration of how the service is provided.</p>		<p>Existing Controls</p> <ul style="list-style-type: none">• Agreed waste contract and T&Cs around termination of contract and changes to the contract• Opportunities to review fees and charges to residents in line with costs• Quarterly monitoring of property growth and estimation of growth included in budget• Budget set aside from fees and changes to cover garden waste increases• Monitoring with finance on financial position• Income from Council tax growth to cover increase in service• Updated MTFS with likely increases in contract costs		<p>Risk Response</p> <ul style="list-style-type: none">• New waste collection contract awarded	
Next Risk review: June 2023		Risk direction over time: no change		Mitigated Score: I4 x L3	12

Appendix A Corporate Risk Register

The following table shows the detail of the Council's Corporate Risks including the current rating (business as usual position) and the rating after the introduction of planned controls (the mitigated rating).

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
General financial uncertainty. Unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation and contractor costs and deteriorating economic environment places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims.	Mark Green	<ul style="list-style-type: none"> • Agreed work programmes in transformation and commissioning • Budget monitoring in place • MTFS in place and monitored • Scenario planning in budget setting • Strategies for maintaining income (e.g. pricing policies and proactive management of property portfolio) • Holding reserves to mitigate impact of financial restrictions • Robust risk assessment of new business opportunities • Cost recovery through bidding for additional government support for one-off costs and strategic investments • Maximise Council Tax to referendum limit 	(5 x 5) 25	<ul style="list-style-type: none"> • Lobbying to avoid unfavourable financial changes to government funding • Identifying measures to address future budget gaps • Early start to budgetary process for 24-25 to agree key areas 	(4 x 4) 16
Elections Act 2022 implications in terms of Voter ID, Postal Votes and Overseas Voters could lead to greater challenge or failure for a general election in the next three years (A GE has to be called by January 2025)	Angela Woodhouse	<ul style="list-style-type: none"> • All usual election risk mitigations are in place including project planning, contingency planning and risk assessments. • DES Manager on DLUHC BCN group working on Elections Act 2022 implementation and liaising with AEA. • A number of actions completed around increasing the number of elections staff (including having staff on standby) and more targeted training. • Targeted communication plans and training for staff plus increasing the number of staff with electoral administration knowledge 	(5 x 4) 20	Contingency planning for post-election challenge impacts.	(4 x 4) 16

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
<p>Changes to national shopping patterns and the after-effects of the pandemic leads to Maidstone town centre continuing to diminish as a retail and leisure destination, limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.</p>	William Cornall	<ul style="list-style-type: none"> Working with Key stakeholders including One Maidstone to safely reopen the High Street. Regular network meetings with town centre retailers Public realm improvement work Supporting One Maidstone Business Improvement District Acquisition of key property (Royal Mail former sorting office planning application to be submitted Q4 / Grenada House refurbishment works expected to commence Q4) Work commissioned to promote Maidstone as business destination Planning Guidelines documents have now been approved by SPI for the Five town Centre Opportunity sites. Planning permissions have now been granted on two of these and pre-application advice given in respect of land parcels on Maidstone Riverside. Active management of Lockmeadow to enhance the local economy Support delivered to the sector through Business Rates grants and assistance grants Town Centre Opportunity guidance published and actively being used 	(4 x 4) 16	<ul style="list-style-type: none"> Development of a Town Centre strategy to guide the reallocation of land uses within the Town Centre (including retail). This is now out to tender, with the successful firm expected to commence work in Jan 23, with a c 12-month commission. The Leader has agreed the LIP and it has been submitted; we are awaiting the outcome; we need to add reference to our successful bid to the safer Streets Fund which has secured £565k investment for community safety in the town centre The Council has now received a circa £1.2m Shared Prosperity Fund allocation for the next three years. Officers are in the process of preparing a draft investment plan for the monies for consideration by Members Town Centre Strategy now underway with "We Made That" appointed, with work scheduled to complete by Dec 2023. 	(3 x 4) 12
<p>Inflation continues to rise and a significant economic event (e.g. further pandemic impacts, BREXIT, supply chain issues) causes significant changes in construction costs which may also result in a contractor insolvency, as they are generally locked into delivering schemes at a fixed price, and so need to manage their exposure to rising costs in their supply chain. For the Council, this leads to a narrowing gap between build price and end of property values, increased costs to the Council and a possible time lag in delivery of 1000 affordable new homes, owing to a lack of capacity in the construction sector.</p>	William Cornall	<ul style="list-style-type: none"> Use of "off-site" and other Modern Methods of Construction where possible to ensure schemes are delivered efficiently Designing buildable efficient schemes Financial stability and overall exposure checks for contractor Performance bonds and quality monitoring Realistically set financial scheme approval hurdle rates Appointment of a single architect, employers agent and development management specialist as a consistent professional team to support the Council in it delivery of the 1,000 homes programme 	(4 x 5) 20	<ul style="list-style-type: none"> Exploration of suitable contractor frameworks to access. Managing exposure levels to different contractors as the programme gathers momentum. Delaying the letting of key contracts if tendering does not yield VFM proposals that are financially robust. <ul style="list-style-type: none"> Careful scheme design evolution to enhance the "buildability" of new projects. Internal team is being strengthened by the creation of three new roles, which are currently being recruited to 	(4 x 4) 16

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
<p>65</p> <p>Increased impacts from climate change (including flooding, severe storms, heatwaves and drought) causes environmental damage reducing residents' quality of life and increasing adaptation support required from the Council.</p>	Angela Woodhouse	<ul style="list-style-type: none"> Comprehensive Biodiversity and Climate Change Strategy and action plan has been developed and is being implemented across council Air Quality Action Plan in place Emergency planning arrangements Parks and open spaces strategy to reduce risk of damage from trees and nature based mitigation of climate impacts Budget available to deliver actions and additional funding allocated Communication / engagement activities to increase resilience and awareness of residents and businesses for adverse weather events Use of Severe Weather Impacts Monitoring System (SWIMS) to understand impacts of severe weather in borough Member of the Kent Climate Change Network Permanent Biodiversity and Climate Change Manager in post Permanent Biodiversity and Climate Change engagement officer in post to support public and business adaptation to climate change Part of Medway Flood Partnership and Kent Resilience Forum Strong governance arrangements in place with operational board chaired by Director of Strategy Insight and Governance, Fortnightly oversight meetings with the Leader and quarterly reports to Corporate Leadership Team, Policy Advisory Committee and the Executive KPIs in place and a dashboard of performance has also been developed 	(4 x 4) 16	<ul style="list-style-type: none"> Continue Implementation of the B&CC strategy and action plan to engage with public and businesses to adapt to and mitigate impacts of climate change Review of our own estate in line with ambition to be carbon neutral by 2030, and work with partners to reduce carbon, reduce surface run off and increase natural solutions to mitigate impacts of climate change and pollution Partner with KCC, other Kent districts and private landowners on widescale tree planting and nature recovery to mitigate impacts of climate change Emergency Planning Officer will be trained on SWIMS and take on the task of uploading impacts on SWIMS more regularly and with closer ties to KCC. Work with Medway Flood Partnership to identify and develop actions, including natural flood management (nature-based solutions and sustainable urban drainage), which can help to reduce flooding. Ensure Local Plan review considers level of current and future projected flood/drought risk and that new developments are planned accordingly. Work with the Kent Resilience Forum, spatial planners and other partners to enhance adaptation and emergency planning contingencies for severe weather and other climate impacts. 'Strengthening' of power and water supply and other critical infrastructure should be a priority alongside ensuring more resilient settlements 	(4 x 4) 16

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
<p>The broader housing and cost-of-living crisis leads to housing pressures increasing on the Council, affecting both costs associated with homelessness and ability to meet order housing needs in the borough.</p>	William Cornall	<ul style="list-style-type: none"> • Homelessness prevention team in place with increased resource • Access to our own housing stock to use for temporary accommodation & market rented housing (within Maidstone Property Holdings) • Closer working with private sector & housing associations • Key policies are in place: Temporary Accommodation Strategy • Implementation of Housing Management Team • Council approval in place for MBC to develop up to 1000 affordable homes of its own • We work closely with the voluntary sector and community partners • Home Finders scheme in place and supported through Government funding • New Housing Strategy adopted • Undertaking roadshows with colleagues from Revs & Bens and other stakeholders to support those in financial/housing difficulty • Use of government grants specifically to support households in financial difficulty as a result of cost-of-living crisis <ul style="list-style-type: none"> • Maximise use of government grants to assist those in financial difficulty • Increase the use of OneView to identify households who may become homeless • Trinity now open offering Mon-Fri services for immediate intervention and support/guidance • capital programme for 23/24 allows for c30 TA units to be acquired this year • Officers have appointed BEAM to help secure move-on accommodation in the PRS 	(4 x 5) 20	<ul style="list-style-type: none"> • Leader of Council ambition to build 1000 new Council homes as soon as possible and plans to meet this aspiration have been approved and the programme is underway with the second major new land acquisition. Around 40% of the required plots are now either acquired or approved by the Executive. • Improve access to private rented sector through the MBC incentive scheme • The Council continues to work with Homes England to promote the 5,000 home Heathlands garden community through the Local Plan Review, with a view to the project delivering new homes from the late 2020's. • Review of the Home Finder Scheme offer to landlords to increase the supply of stock at our disposal. 	(4 x 4) 16

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
Major unforeseen emergency with national / international impact (e.g. new pandemic, environmental disaster)	Alison Broom	<ul style="list-style-type: none"> • Strong existing emergency planning framework • Active engagement with Local Resilience Forum • Flexible, committed and appropriately trained workforce • Quarterly oversight & monitoring through the Emergency Planning Group (EPG) • Some financial reserves • Good partnership working as demonstrated during Covid-19 pandemic • Continued update to Business Continuity Plans and arrangements • Ongoing considerations of financial reserves which have been increased 	(5 x 3) 15	<ul style="list-style-type: none"> • Plan for dealing with different types of major emergencies, including water supply interruptions • Review and update of the Council's IT Disaster Recovery arrangements and Business Continuity Plans • Embedding arrangements over the quarterly review of emergency threats and risks through the EPG including horizon scanning and early warnings • Recovery and renewal funding allocated to strengthen work on community resilience • Report to CLT in November recommended improvements to the business continuity arrangements 	(4 x 3) 12
67 Security breach or system weakness leading to IT network failure results in wide-spread system unavailability, increased legal and financial liability and reputational damage.	Georgia Hawkes	<ul style="list-style-type: none"> • Regular backup programmes • External testing of IT security by specialists –resulting findings and actions are implemented and tested • ICT policies & staff training, including disaster recovery plan • Mandatory cyber security training was rolled out and completed • CLT monitoring of performance indicators, including ICT incidents • Nessus scanning software reporting daily on system vulnerabilities • New firewall tested and installed • Ongoing programme of awareness raising through Cyber events, training, and tests • Ongoing programme of IT campaigns including phishing • IT Business Continuity Plan which prioritises the systems that need to be bought back online. • Bulk messaging system to ensure adequate communication lines available. Gov.notify used and an awareness campaign run to encourage staff to sign up. 	(4 x 3) 12	<ul style="list-style-type: none"> • Cyber Security Incident BC Exercise to be undertaken in November 2022 • Business Impact Assessments are being reviewed and updated and will be used to update all BC Plans • Consider how to implement the recommendations from Zurich Cyber security report - New role of Security manager is now in post to support this. Recommendations now in place 	(3 x 3) 9

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
<p>Insufficient awareness / expertise leads to not fulfilling residential property responsibilities resulting in possible health & safety breaches.</p>	William Cornall	<ul style="list-style-type: none"> • New Contractors appointed DMS (repairs and voids) and Clareglow (gas) to deliver a more tailored service for the Council • Faithfull Farrell & Timms have been retained as a critical friend to allow the new housing management function to up skill. • The whole MBC residential portfolio is now being managed by a single team within Housing & Communities, where previously it was split between Housing & Property. • H&S KPIs are now recorded and reported through a permanent software solution. • The H&S KPIs are reported monthly to Corporate Leadership Team. • Good level of awareness from officers around H&S obligations and compliance • Excellent levels of compliance being reported to the CLT monthly. • New Residential Portfolio Manager, and associated team appointed and in place since Sept 22, working exclusively on housing management and compliance. 	(4 x 3) 12	<ul style="list-style-type: none"> • Eventual goal of real time reporting in terms of gas safety • Review of existing resources and skills underway to support the housing portfolio and management of properties. • Implementation of new specialist housing management software to support the growing portfolio. • The Council has almost completed a significant re-investment package of works of its two publicly owned G&T sites and works nearing completion 	(3 x 3) 9
<p>Failure of a major contractors, suppliers or tenants: As a result of market pressures one of the Councils contractors goes into liquidation / administration or seeks to negotiate an increase in the cost of the contract. Leading to disruption and increased costs.</p>	Mark Green	<ul style="list-style-type: none"> • Regular contract monitoring and communication with contractors • Procurement expertise made available through the Partnership with Tunbridge Wells • Financial performance and sustainability embedded into the procurement process • Contractor business continuity plans in place and alternative contractors may be available • 'Exit plan' included as a requirement in the ITT document for all relevant contracts 	(4 x 3) 12	<ul style="list-style-type: none"> • Ongoing financial performance and resilience checks of our suppliers and contractors • Risk register work being completed for each of the Council's strategic contracts • Increased consideration of in-house provision or alternative commissioning routes 	(4 x 3) 12

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
69 Difficulties in recruiting and retaining the right skills and adapting to hybrid working leads to a loss of workforce cohesion and talent . This results in a loss of productivity.	Georgia Hawkes	<ul style="list-style-type: none"> Workforce strategy monitoring & reporting Training & development programme (including hybrid working skills) Occupational health, employee support and HSE Stress Survey Recruitment process that includes ability to adjust pay and market supplement for hard to recruit jobs Rewards package reviewed regularly Commissioning specialist external support as required Online onboarding of new staff Use of ClearReview to encourage continuous conversations and clear objectives Hybrid Policy and service review of hybrid working arrangements Market Supplement Policy reviewed and updated graduate microsite has been created to allow the council to recruit graduates in less skilled roles in order to provide the training to increase skill levels to progress in the role 	(3 x 3) 9	<ul style="list-style-type: none"> Use of SmartPath to offer additional support to managers Review potential for different approaches to recruitment 	(3 x 3) 9
Uncertainties relating to the Council's ability to access new funding and availability of PWLB loans. Increases difficulty securing and leveraging funding to help stabilise and support the delivery of our capital programme.	Mark Green	<ul style="list-style-type: none"> Access to professional networks to identify opportunities for funding Experienced officer capacity Good relationships with funding partners, e.g. Homes England Obtaining forward borrowing 	(3 x 4) 12	<ul style="list-style-type: none"> Investment of one-off resources for putting together funding bids 	(3 x 3) 9
As a result of significant changes to the Councils' governance (including moving to executive model and the boundary review) sound governance processes may not be maintained during the change or poor processes may be introduced . Leading to delays in decision making, reputational damage or legal implications.	Angela Woodhouse	<ul style="list-style-type: none"> Monitoring Officer in place to oversee Council activities and provide advice Code of Conduct Timeline agreed for the Local Government Boundary Commission review and work overseen by the Director of Finance and Business Improvement Software to facilitate consultation on ward boundaries Templates and system for agendas and decision publication updated New constitution agreed and in place Training carried out with Officers and Members on the new governance arrangements 	(3 x 3) 9	<ul style="list-style-type: none"> Recruit two additional officers into Democratic Services to support the new model Log of issues kept by Democratic Services – contributed to by the Monitoring Officer, Democratic Services and Director of Strategy, Insight and Governance 	(3 x 2) 6

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Planned Actions	Mitigated rating (I x L)
<p>Reduced effectiveness of relationships with strategic partners Financial constraints and requirements from Government or regulators change the priorities or commitments of our strategic partners or their capacity to work with us. This causes a dislocation with our work and increases Member pressure to highlight concerns.</p>	Alison Broom	<ul style="list-style-type: none"> • Collaboration with Kent County Council via a variety of project teams including Town Centre Strategy • The Community Safety Partnership with the Police and other key parties • The West Kent Health and Care Partnership Board which includes Executive Board (officers) and Elected Members Forum with • Participation in Kent One Public Estate Board • Maidstone Health and Well-being Partnership Group • Maidstone Inclusion Board • Survey of all voluntary and community sector to understand changes in community need and demand for services • Good integration with County-wide networks • Anchor Institutions engaged in various projects including UK Shared Prosperity Fund Local Investment Plan • Whole System event to review partnership working effectiveness – July 2022 	(3 x 3) 9	<ul style="list-style-type: none"> • Strengthen processes for continued horizon scanning with partners to understand changes in priorities and formulate an overview of all key partners • Regular programme of Anchor Institutions stakeholder meetings planned from October 2022 • Review of outputs from Whole System Event and significant actions to strengthen partnership working on key priorities 	(3 x 3) 9
<p>More residents moving from comfortable and making ends meet into financial crisis. If the current cost of living crisis continues and potentially intensifies there will be an increase in the need for support and demand for services. Leading to Increased financial pressures for residents of the Borough; Homelessness increased; Resident debt increased; Increased stress and mental health problems; Increased demand for support from us and the voluntary and community sector</p>	Angela Woodhouse	<ul style="list-style-type: none"> • Anchor Institutions Partnership established and meeting regularly • Project to increase engagement in volunteering underway • Investment has been made in Trinity Foyer and it has opened as a Community Hub • Love Where You Live & Get Involved project has been launched and continues to be delivered • Financial Inclusive Strategy has been agreed • The Community resilience fund first round of funding has been distributed across a range of VCS groups across the borough • Agreed part funding with the Citizens Advice Bureau for a Debt Management post • Community Sector newsletter established • VCS repository is live and under review to ensure it is kept up to date 	(4 x 4) 16	<ul style="list-style-type: none"> • Currently we have a financial inclusion strategy and a number of other initiatives focussed on prevention, sign posting and advice as well as reactive measures through the use of Household Support Fund and our Community Resilience Grant. Plan is to bring this work together under a new strategy and action plan, with identified and coordinated resourcing • An action plan is in place, a welfare post has been appointed to and a hardship fund created. A number of other actions are planned • Review Financial Inclusion Strategy in light of cost-of-living crisis - Portfolio Holder cited, work underway including roadshows and webpages and the creation of a hardship fund. Full strategy review planned 	(4 x 3) 12

Appendix B Impact and Likelihood Definitions

Risks are assessed for impact and likelihood. So that we achieve a consistent level of understanding when assessing risks, the following definitions were agreed and have been used to inform the assessment of risks on the risk register.

RISK IMPACT

Level	Service	Reputation	H&S	Legal	Financial	Environment
Catastrophic (5)	Ongoing failure to provide an adequate service	Perceived as a failing authority requiring intervention	Responsible for death	Litigation almost certain and difficult to defend Breaches of law punishable by imprisonment	Uncontrollable financial loss or overspend over £500k	Permanent, major environmental or public health damage
Major (4)	Failure to deliver Council priorities Poor Service, 5+ days disruption	Significant adverse national publicity	Fails to prevent death, causes extensive permanent injuries or long term sick	Litigation expected and uncertain if defensible Breaches of law punishable by significant fines	Financial loss or overspend greater than £250k	Long term major public health or environmental incident (1+ yrs)
Moderate (3)	Unsatisfactory performance Service disrupted 3-5 days	Adverse national publicity of significant adverse local publicity	Fails to prevent extensive permanent injuries or long term sick	Litigation expected but defensible Breaches of law punishable by fines	Financial loss or overspend greater than £50k	Medium term major public health or environmental incident (up to 1 yr)
Minor (2)	Marginal reduction in performance Service disrupted 1-2 days	Minor adverse local publicity	Medical treatment required Long term injuries or sickness	Complaint or litigation possible Breaches of regulations or standards	Financial loss or overspend greater than £10k	Short term public health or environmental incident (weeks)
Minimal (1)	No performance reduction Service disruption up to 1 day	Unlikely to cause adverse publicity	First aid level injuries	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend under £10k	Environmental incident with no lasting detrimental effect

RISK LIKELIHOOD

Level	Probability	Description
Almost Certain (5)	90% +	Without action is likely to occur; frequent similar occurrences in local government / Council history
Probable (4)	60% - 90%	Strong possibility; similar occurrences known often in local government / Council history
Possible (3)	40% - 60%	Might occur; similar occurrences experienced in local government / Council history
Unlikely (2)	10% - 40%	Not expected; rare but no unheard of occurrence in local government / Council history
Rare (1)	0% - 10%	Very unlikely to occur; no recent similar instances in local government / Council history

Corporate Services PAC

THE WAY WE WORK					
Embedding new ways of working and ensuring the office is fit for purpose	£50,000 Recovery Fund £40,000 Capital Programme	Oct-23	TBC	Flexible office space that supports the new ways of working with the right technology and facilities.	Governance structure approved and a programme of work to deliver this is under way across the partnership through four workstreams – document collaboration, automation and workflow, wider use of M365, and Enterprise Social Media
Ensure staff have the right equipment (office and home) to enable new ways of working	Capital Programme	Oct-21	TBC	Staff able to effectively work anywhere	Complete. Staff are able to use corporate devices to connect to the Council's IT systems from any location. This includes mobile phones and tablets.
Increased capacity within Data Analytics to provide support for recovery and renewal projects	£50,000 Recovery Fund	Jul-22	Jul-23	18 dashboards in place by 2023	Complete.

UKSPF 2022/23 Quarter 4 Update:

On 5th December 2022 the Department for Levelling up, Housing & Communities (DLUHC) approved the Investment Plan submitted in August 2022. Since then the authority has returned the Memorandum of Understanding and received year 1 grant at the end of January 2023. Due to the delay in approving year 1 grants the government agreed that authorities can carry over any underspend from year 1 into year 2. There was £7,397 underspend across year 1 as shown in the table below. It was agreed by the Leader that this underspend would be used on equipment and added to the Creative Communities Fund that was extremely oversubscribed in year 2.

Preparatory and delivery work for year 2 projects has continued with project leads, the year 2 projects include:

- Creative Communities Fund
- Continued Events expertise and Advertisements for events
- Literature Festival
- Iggy Sculpture Trail
- Arts Carnival
- Feasibility Study for a Community Arts Hub
- Borough Insight
- Green volunteering project to improve Town Centre Green Spaces

In April 2023 the authority received confirmation that the Rural England Prosperity Fund (REPF) investment plan had been approved by Government. The first year of spending of this is 2023/24. The first round of applications was opened in mid-April and closes in June 2023.

Intervention	Project	Detail	2022/23 budget	Amount spent:	£ Committed	Q4 Update:
E1: Improvements to town centres & high streets	Project B A Safe and Attractive Town Centre achieved through Greening and Lighting	Feasibility study in year 1. The feasibility study will be combined with other work required for the Town Centre Strategy so the amount allocated reflects the study being partly funded from the TCS allocation	£20,000	£20,000		Consultant started work in January 2023, a feasibility study is nearly complete and will form part of the wider Town Centre Strategy that will be adopted in 2023.
E6: Local arts, cultural, heritage &	Project A - Building Pride in Place through	Creative communities funds for local organisations and groups to support events	£30,000	£30,000		Completed. In 2022/23 a single round was published, funding was then distributed across 18 projects.

creative activities	promotion of the Town Centre and Events.	Festive Trail event – working with One Maidstone to create a festive trail to run through the Town Centre	£20,000	£19,999		Completed in December 2022.
		Events Expertise to develop bespoke events	£4,500	£4,200		Support for the Festive Trail and Magic of Xmas Parade.
		Equipment purchase to support events	£15,000	£12,249		Videography equipment, speaker on wheels, Go Pro and accessories, uplighters for events, equipment storage, poster cases, event furniture.
E8: Campaigns to encourage visits and exploring of local area	Project A - Building Pride in Place through promotion of the Town Centre and Events.	Advertising budget to promote events across all channels	£20,000	£16,122		Support the Festive Trail, Magic of Xmas Parade, Lunar Festival, Light Festival and many others.
		Borough Insight Events and Town centre focussed	£25,000	£25,000		Completed.
		Promotional video for business and events in TC	£5,218	£4,750		Promotional video for the Magic of Xmas Parade.
Management Overheads			£5,822	£5,820		
		Total:	£145,540	£138,143	£0	£7,397 underspend carried over to year 2.
				£138,143		

Business Rates Write Off - Quarter 4 2022/23

Business Name	Fin. Year	O/S debt	Costs	Total to be written off	Reason for write off	Action taken
LHR HOLDING LIMITED	2021/22	£0.00				
	2019/20	£31,806.83		£31,806.83	CVA	Was in CVA until 10.3.22 last payment made so have put rest for write off as no chance of further dividend
LHR HOLDING LIMITED	2021/22	£0.00				
	2020/21	£12,604.38				
	2019/20	£4,950.92		£17,555.30	CVA	Was in CVA until 10.3.22 last payment made so have put for write off as no chance for dividend.
JB GLOBAL LTD T/A OAK FURNITURE LAND	2020/21	£13,887.12	£0.00	£13,887.12	Administration	In administration 15.06.2020 - insufficient funds for a distribution to unsecured creditors
GENUS UK LIMITED T/A SELECT	2019/20	£37,318.79	£200.00			
	2021/22	£11,957.15			Administration	In administration 01.06.2022, previously under a CVA
	2022/23	£3,914.69		£53,390.63		
WIMPY KENT LTD	2017/18	£11,425.51				
	2018/19	£7,926.58		£19,352.09	Liquidation	In liquidation 22.11.2018, no dividend paid to unsecured creditors and company now dissolved.
REDACTED	2017/18	£3,005.38	£200.00	£12,790.38		
	2016/17	£5,324.00	£200.00		Irrecoverable /	Has been to bailiff. No assets, on benefits unable to pay
	2015/16	£2,780.00	£200.00		managers decision	outstanding balances refuses to engage.
	2014/15	£881.00	£200.00			
VSW LTD	2019/20	£16,325.75		£17,881.26		
	2018/19	£1,355.51	£200.00		Dissolved	Has been to bailiff and returned as unable to trace. Now dissolved from 12.04.22 no chance or recovery or dividend.
MILL STREET GROUP LTD	2021/22	£4,038.73				
	2020/21	£10,430.45	£200.00	£14,669.18	Dissolved	No response, Companies House shows company dissolved 07.09.2021. Dividend to unsecured creditors not
DAVE OF SEVENOAKS LIMITED	2022/23	£5,393.30	£200.00			
	2021/22	£3,820.83			Dissolved	Numerous emails and billing sent Companies House now shows dissolved 20.12.22. Dividend to unsecured
	2019/20	£8,666.29	£200.00	£18,280.42		creditors not expected.

Total

£199,613.21